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May 3, 1985

APRIL 1985 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SPRING FEVER

- In the April 1985 survey, the Index of Consumer Sentiment was 94.6, insignificantly different from the 93.7 recorded one and two months earlier, and the 96.1 recorded one year earlier. Although the Index has lost nearly 7 points from the recent cyclical peak, it remains nearly 30 Index-points above the April 1982 level of 65.5. Attitudes toward buying conditions have rebounded to record favorable levels due to the widespread availability of price and interest rate discounts.

- Among households with incomes of $25,000 or more, the Index stood at 107.9 in the April 1985 survey, just below the 108.8 recorded in March 1985, and above the 105.5 recorded in April 1984.

- Favorable attitudes toward buying conditions for vehicles were held by 68 percent of all families in the April 1985 survey, a new all-time record level. Moreover, specific vehicle purchase intentions were held by 24 percent of all families in the April 1985 survey, also establishing a new all-time record level. The major reason for this third consecutive Spring resurgence in favorable buying attitudes has been the increased availability of price discounts and reduced interest rates on vehicle loans.

- Attitudes toward buying conditions for large household durables improved in the April survey, and regained the all-time record set in May of 1984. Among all families, 77 percent favorably rated buying conditions for household durables in the April 1985 survey, with the availability of low prices the most common explanation.

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The maintenance of consumer sentiment at near record favorable levels points toward continued high levels of sales throughout 1985. The widespread availability of discounted prices and interest rates has restored buying attitudes to the cyclical peak levels recorded one and two years earlier. Personal financial progress has slowed, but the financial situation of families remains strong. Although the economic slowdown is expected to persist during the year ahead, no recession is expected. Trends in interest rates on consumer loans will continue to influence the evolving pace of demand, and less favorable job prospects are viewed by consumers as the primary source of future adversity.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

Spring Rebound Continues in Buying Attitudes

Attitudes toward buying conditions improved in the March and April 1985 surveys, and reestablished the record levels first recorded two years earlier. It was in the Spring of 1983 that attitudes toward buying conditions first reached record favorable levels. Following small declines during the balance of 1983, attitudes toward buying conditions rebounded to peak levels by the Spring of 1984. Small declines were again recorded in buying attitudes during the second half of 1984, and attitudes in early 1985 have again rebounded to peak levels. The major reason for the pattern of spring resurgences followed by declines later in the year has been changes in the frequency of reports of discounted prices and reduced interest rates.

The 1985 resurgence in favorable attitudes toward market conditions for large household durables has been primarily due to the appeal of price discounts, while recent improvements in home buying attitudes have been primarily due to more favorable perceptions of current mortgage interest rates. Car buying attitudes have improved due to the increased availability of both price discounts and reduced interest rates on vehicle purchases.

Vehicle Buying Attitudes Reach Record Level

More American families held favorable attitudes toward buying conditions for vehicles in the April 1985 survey than at any other time in the history of these surveys. Among all families in the April 1985 survey, 68 percent held favorable car buying attitudes, one percentage point above the old record of 67 percent set just last month, which had surpassed by one percentage point the prior record of 66 percent recorded in the Spring of the two prior years. In comparison, the highest proportion of families to report favorable car buying conditions prior to the past few years was 55 percent in the March 1978 survey.

The recent resurgence in favorable car buying attitudes has been due to more frequent references to the availability of discounts on prices and interest rates. Much of the recent improvement has been recorded since year end 1984. From the December 1984 survey to the April 1985 survey, the proportion of families that mentioned price discounts rose from 18 to 28

percent, while the proportion that referred to high prices fell from 24 to 21 percent. At the same time, the proportion of families that mentioned the availability of reduced interest rates on vehicle loans rose from 15 to 25 percent, while the proportion that referred to high interest rates fell from 12 to 5 percent.

In addition to favorable perceptions of market conditions, the highest proportion of households to ever report intentions to purchase vehicles was recorded in the April 1985 survey. Among all households, 24 percent stated that they would probably buy a vehicle during the next twelve months, above the prior record of 23 percent first set in the early 1970s and then reestablished at the start of 1984. Reports of the intended timing of the vehicle purchases were concentrated during the next six months, with the proportion that intend purchases of new vehicles regaining the cyclical peak first recorded in late 1983 (17 percent).

Buying Attitudes Toward Household Durables Regain Peak

Favorable attitudes toward buying conditions for large household durables were held by 77 percent of all families in the April 1985 survey, which reestablished the all-time record first set one year earlier. The proportion holding favorable buying attitudes declined late last year. dipping to 67 percent in the December 1984 survey. The 1985 resurgence has been primarily due to favorable perceptions of market prices for household durables. Among all families in the April 1985 survey, 37 percent mentioned the availability of reduced prices on household durables, below the all time record of 45 percent recorded at the start of 1985, but well above the levels which prevailed throughout much of the 1960s and 1970s. References to high prices as cause for postponement of purchases were made by just 10 percent of all families in the April 1984 survey.

Home Buying Attitudes Remain Favorable

Attitudes toward home buying conditions remained unchanged in the most recent survey, near cyclical peak levels. Among all families, 64 percent held favorable attitudes toward buying conditions for homes in the April survey, unchanged from the March reading. This proportion was

just below the cyclical peak of 66 percent, recorded in both last April's survey and in the Spring of 1983. In mid 1984 the proportion holding favorable home buying attitudes slid to 48 percent, and the improvement since then can be traced to more favorable perceptions of mortgage interest rates. Among all families in the April 1985 survey, a total of 47 percent made favorable reference to mortgage interest rates, up from last year's low of 34 percent, and just below the year earlier figure of 52 percent. Although the total proportion that favorably referred to credit conditions has remained largely unchanged since the start of 1985, the proportion that referred to the current availability of reduced mortgage rates has fallen (from 42 to 34 percent), while the proportion that mentioned the advantages of borrowing in advance of expected increases in mortgage rates has risen (from 7 to 13 percent). The proportion that mentioned borrowing-in-advance rationales in April 1985 was, however, well below the record 23 percent recorded in April 1984 (see Table A).

Reversing the favorable trend recorded in late 1984, the proportion of families that expected increases in interest rates during the year ahead rose to 47 percent in April from 36 percent in January. The recent increase still leaves interest rate expectations short of the bleak outlook recorded in April 1984, when 68 percent expected increases. Declines in interest rates were expected by 19 percent of all families in the April 1985 survey, up from 8 percent one year earlier.

Slower Growth Means
Fewer Job Prospects

In contrast to the recent resurgence in favorable buying attitudes, consumer evaluations of the performance of the domestic economy have followed a slow, uninterrupted path of decline since reaching their cyclical peaks one or two years earlier. The slower pace of economic growth has focused concerns on future job prospects, yet because of the expected continuation of low rates of inflation, overall evaluations have remained at relatively favorable levels.

The proportion of families that reported the national economy had improved during the past year fell to 51 percent in the April 1985 survey, down from the all-time peak of 75 percent

recorded at the start of 1984. When asked about recent economic developments they had heard and could recall, fewer reports of favorable developments, and more frequent reports of unfavorable economic developments, were recorded in the April 1985 survey than during the past two years. Among all families, 30 percent mentioned favorable developments in the April 1985 survey, while 49 percent mentioned hearing news of unfavorable developments. This unfavorable mix of news is nearly the reverse of the year earlier favorable balance (49 versus 32 percent). This shift in consumers' perceptions of ongoing economic developments has been primarily due to changing employment conditions. During this past year, awareness of employment increases halfed in frequency (from 23 to 11 percent), while consumers' awareness of increases in unemployment nearly doubled in frequency (from 11 to 21 percent).

Half of all consumers expected the unemployment rate to remain at its current level during the year ahead in both the April 1985 survey (50 percent) and in the April 1984 survey (52 percent). The balance of opinion among the other half of consumers, however, has shifted toward less favorable job prospects. The proportion that expected declines in the unemployment rate fell to 20 percent in April 1985, from 28 percent one year earlier, while the proportion that expected increases in unemployment rose to 28 from 18 percent.

Prolonged Period of Slow Growth Expected

The recent slowdown in the domestic economy was expected to persist during the year ahead in the April survey, but few expected the economy to slip into recession. In both the April 1984 and 1985 surveys, the majority of families expected the performance of the economy during the year ahead to be basically similar to the past year. The proportion of families that expected an improved economy was 29 percent in April 1985, just below the 32 percent recorded one year earlier. Overall declines in the economy during the year ahead were expected by only 15 percent of all families in April 1985, just above the 14 percent recorded one year earlier.

Although only modest economic growth is expected, the majority of families continued to expect the economy as a whole to be characterized by good times financially during the year

ahead. Among all families in the April 1985 survey, 58 percent expected good times financially in the economy as a whole during the year ahead, down from the cyclical peak of 73 percent at the start of 1984, but still higher that the late 1970s peak of 50 percent. Long term prospects for the economy have also weakened by a modest amount, but remain at relatively favorable levels. Among all families in the April 1984 survey, 39 percent held favorable views on economic prospects over the next five years, below the cyclical peak of 47 percent recorded in August and September of 1984.

In the April 1985 survey, consumers expected the annual rate of inflation to average 5.0% during the year ahead, up from 4.3% one month earlier, but below the 5.9% recorded in April 1984. Confidence in government economic policies to control inflation and unemployment remained at relatively high levels in the April survey. Among all families, 30 percent favorably rated economic policies, down from 32 percent one month earlier, but above the 27 percent recorded one year earlier. Just 18 percent of all families voiced unfavorable evaluations of economic policies in April 1985, below the 22 percent in March, and 20 percent one year ago.

Personal Financial Progress Slows

The personal financial situation of American families weakened by a small amount in early 1985 from the mid 1984 peaks. Among all families in the April 1985 survey, 41 percent reported that their financial situation had improved during the past year, down from the August 1984 peak of 48 percent, but still above the cyclical peak recorded in the late 1970s. When asked to explain how their financial situation had changed, 29 percent of all families in the April 1985 survey reported that their income had increased during the past year, below the 34 percent recorded one month earlier, and the 32 percent recorded one year earlier. Income declines were reported by 16 percent of all families in the April 1985 survey, between the 17 percent in March and the 15 percent in April 1984.

Consumers continued to view prospects for their own financial situation in very positive terms in the April 1985 survey. Among all families, 37 percent expected improvement in their

financial situation during the year ahead, unchanged from the year earlier reading. Just 10 percent of all families in the April 1985 survey expected their financial situation to worsen during the year ahead. The near majority expected their future financial situation to remain similar to their present situation during the year ahead (49 percent). During the past year, the proportion of families that expected increases in their income fell to 55 percent in April 1985, from 61 percent one year earlier. At the same time, the proportion of families that expected their income to remain unchanged rose to 30 from 22 percent, while the proportion of families that expected income declines remained largely unchanged at 14 percent.

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The April 1985 survey was conducted between April 1 and April 25, and included 675 completed interviews.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
8301	7	*	33	4	27	2
8302	7	1	35	5	34	1
8303	7	1	38	6	33	1
8304	12	2	46	8	38	2
8305	12	1	49	6	38	2
8306	13	3	49	12	38	2
8307	14	2	40	9	34	3
8308	11	1	33	11	30	3
8309	9	3	35	12	25	3
8310	6	1	29	9	17	2
8311	6	2	29	11	20	2
8312	6	1	30	11	16	3
8401	8	1	33	8	20	3
8402	9	2	38	12	19	3
8403	8	2	36	13	19	3
8404	8	6	29	23	15	7
8405	7	4	24	20	14	4
8406	7	4	21	17	12	6
8407	5	5	21	16	16	8
8408	6	2	22	13	12	5
8409	6	2	22	12	11	4
8410	7	4	24	11	10	4
8411	8	3	33	11	15	3
8412	8	2	32	6	12	3
8501	10	1	42	7	21	2
8502	9	2	42	8	23	1
8503	8	2	38	10	21	2
8504	10	3	34	13	22	3

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

6/5/85

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

MAY 1985

The May 1985 survey is the 200th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

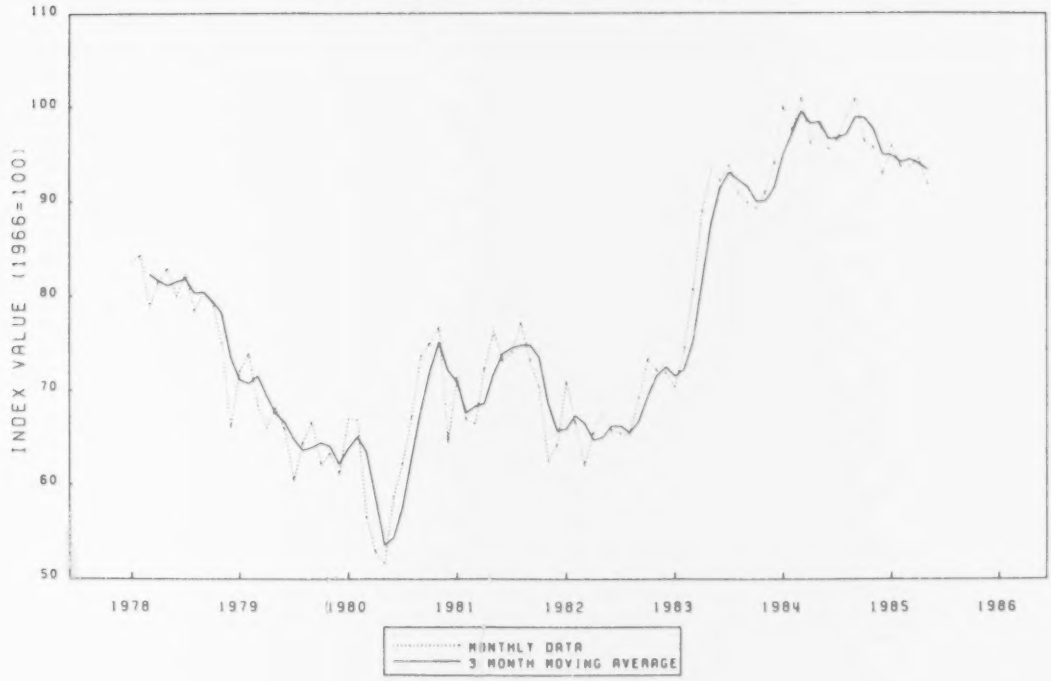


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

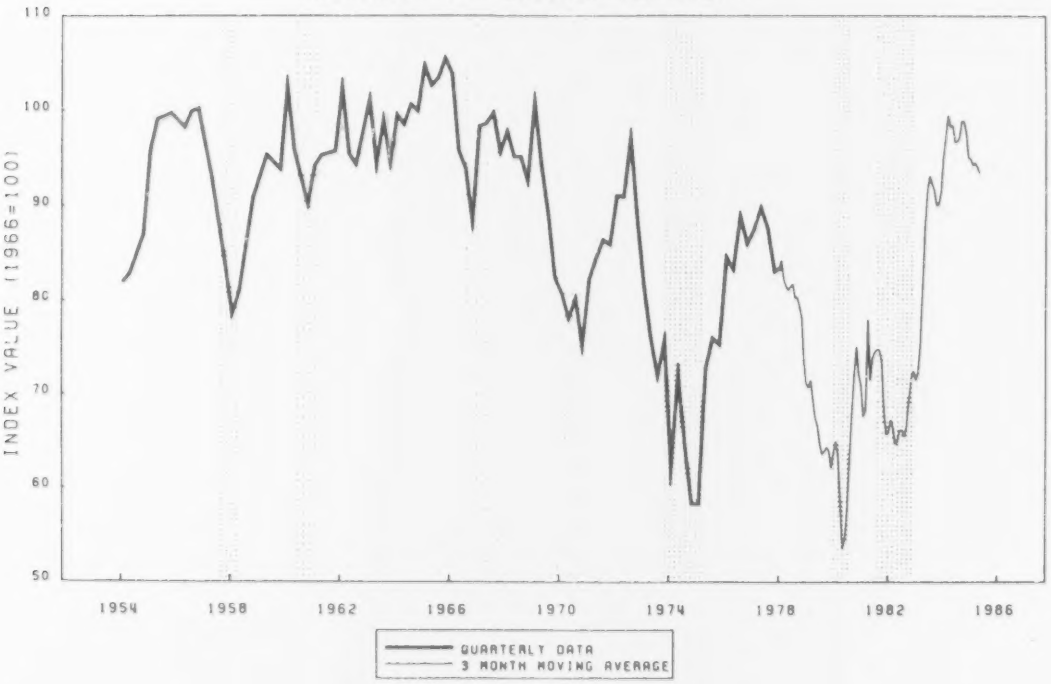


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $20,000	Families with incomes over $25,000
May	1982	67.5	72.7	74.8
June	1982	65.7	71.4	72.9
July	1982	65.4	68.9	69.2
August	1982	65.4	71.0	73.6
September	1982	69.3	78.4	81.1
October	1982	73.4	77.5	80.9
November	1982	72.1	79.3	81.1
December	1982	71.9	78.0	80.5
January	1983	70.4	78.2	78.8
February	1983	74.6	79.9	81.3
March	1983	80.8	88.4	88.9
April	1983	89.1	97.1	99.0
May	1983	93.3	99.6	101.0
June	1983	92.2	101.2	102.5
July	1983	93.9	104.4	106.5
August	1983	90.9	101.2	103.5
September	1983	89.9	99.0	102.3
October	1983	89.3	99.5	101.9
November	1983	91.1	97.2	98.8
December	1983	94.2	101.7	104.5
January	1984	100.1	112.0	114.2
February	1984	97.4	109.6	111.2
March	1984	101.0	110.9	114.2
April	1984	96.1	103.9	105.5
May	1984	98.1	105.6	107.1
June	1984	95.5	104.4	104.5
July	1984	96.6	103.2	102.8
August	1984	99.1	106.7	109.2
September	1984	100.9	109.7	111.7
October	1984	96.3	106.2	107.7
November	1984	95.7	108.6	111.0
December	1984	92.9	99.2	100.1
January	1985	96.0	104.1	106.7
February	1985	93.7	105.4	107.4
March	1985	93.7	106.5	108.8
April	1985	94.6	102.8	107.9
May	1985	91.8	99.5	100.3

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

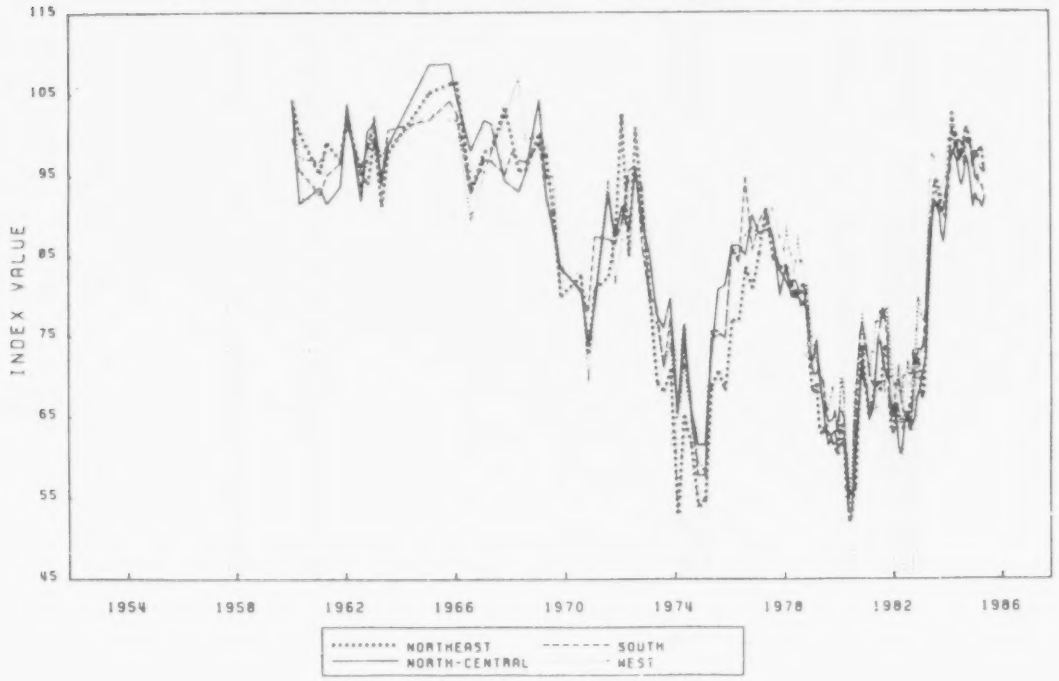


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

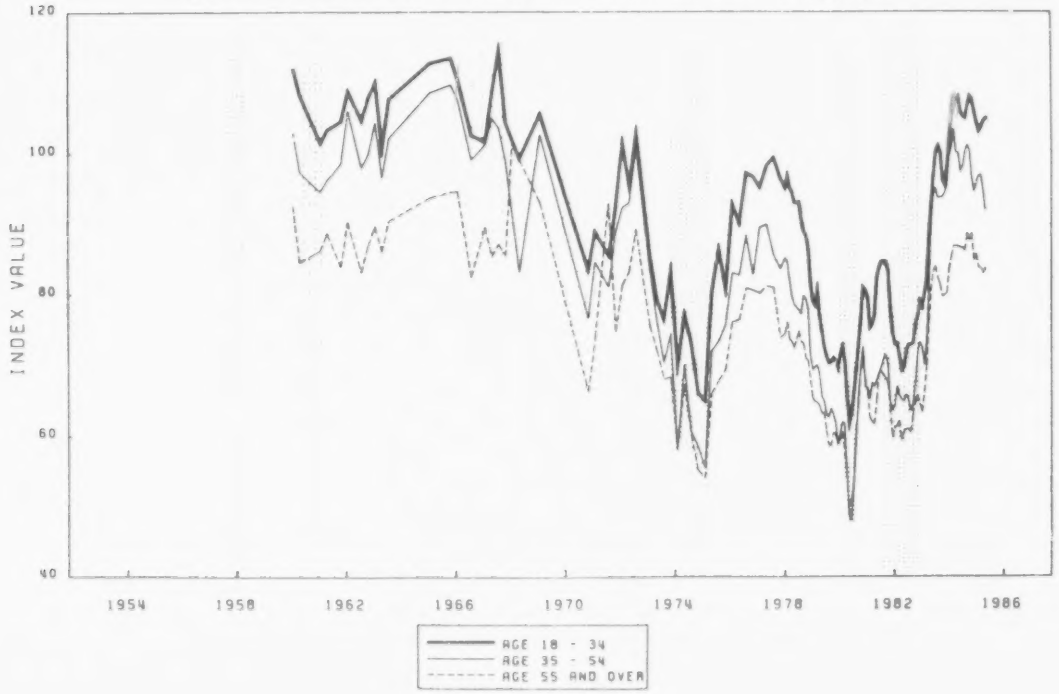


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
May	1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June	1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July	1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August	1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September	1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October	1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November	1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December	1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January	1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February	1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March	1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April	1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May	1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June	1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July	1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August	1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September	1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October	1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November	1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December	1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January	1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February	1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March	1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April	1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May	1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June	1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July	1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August	1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.7	94.0	91.9	91.3	103.2	87.9	84.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

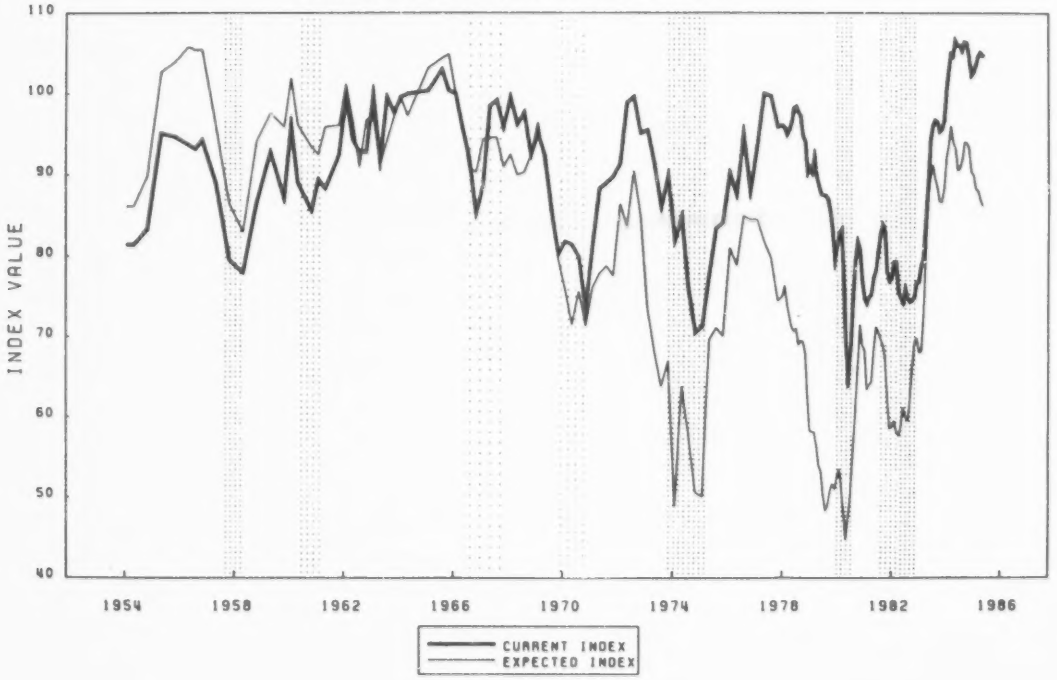


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

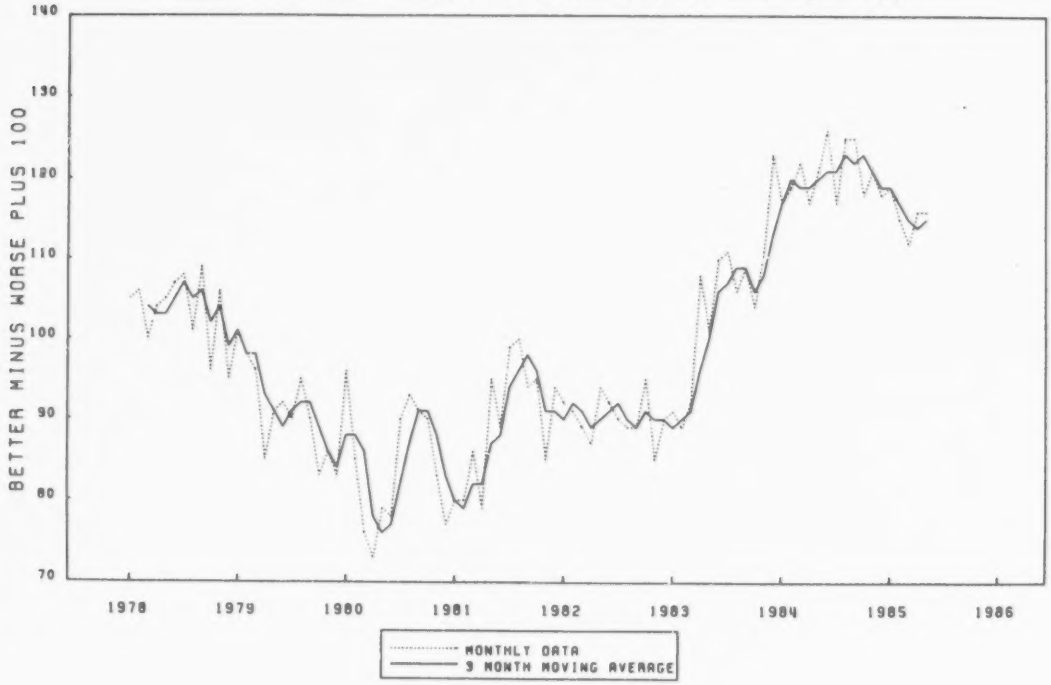


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

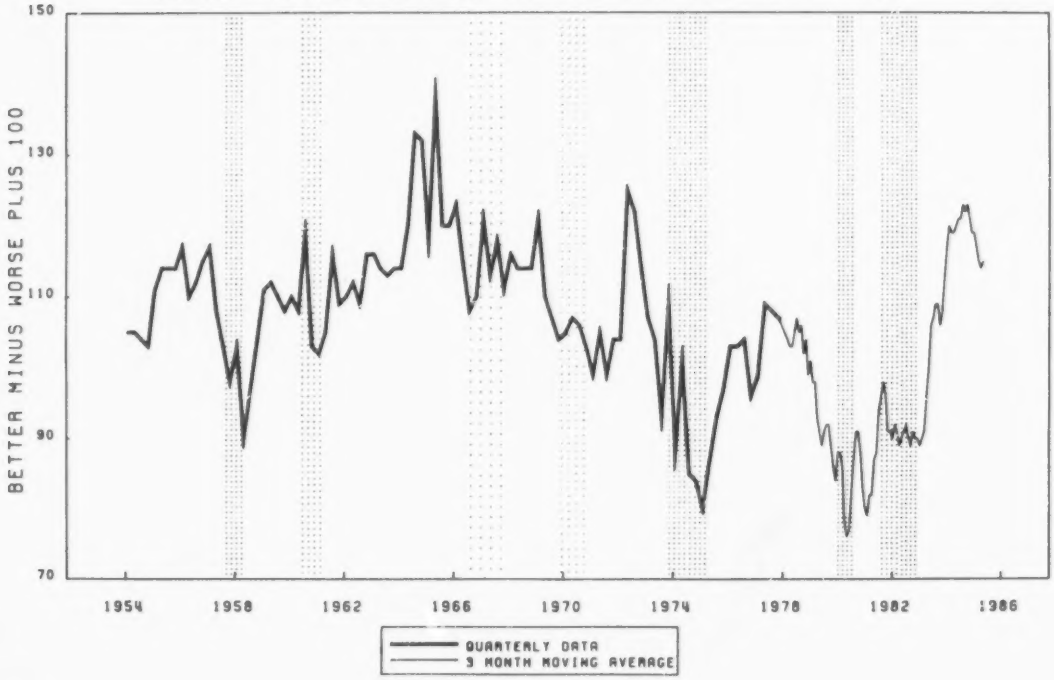


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
BETTER OFF	44%	47%	42%	48%	45%	44%	46%	44%	42%	42%	40%	41%	40%
SAME	33	31	33	29	35	30	29	30	35	31	32	34	36
WORSE OFF	23	21	25	23	20	26	25	26	23	27	28	25	24
DK,NA	*	1	*	*	*	*	*	*	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

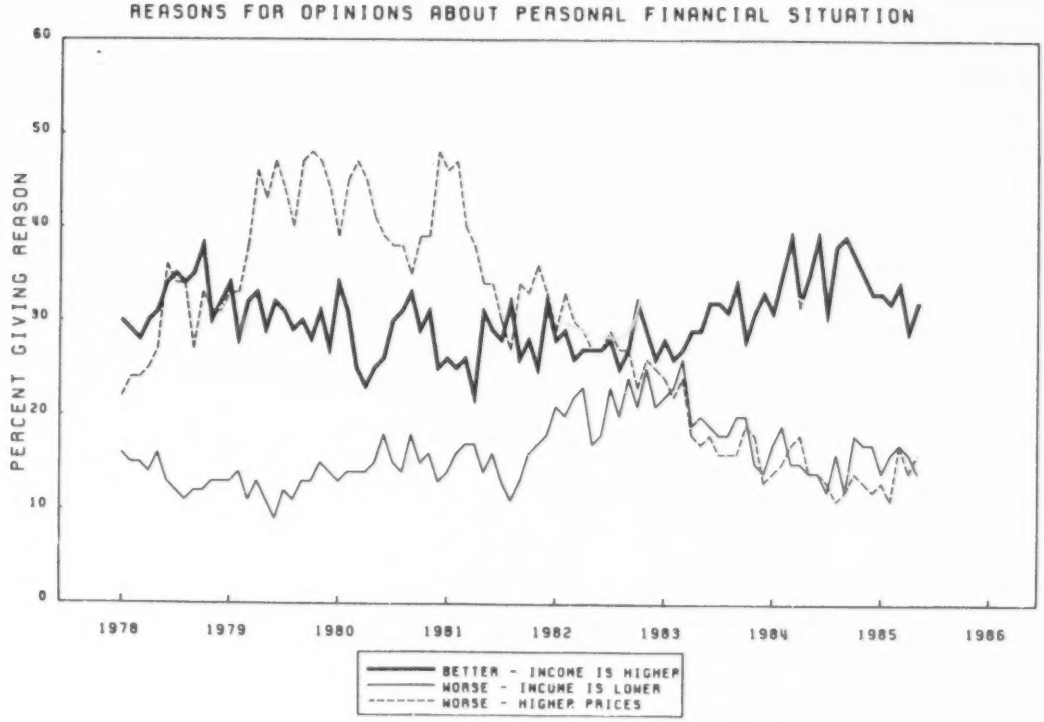


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

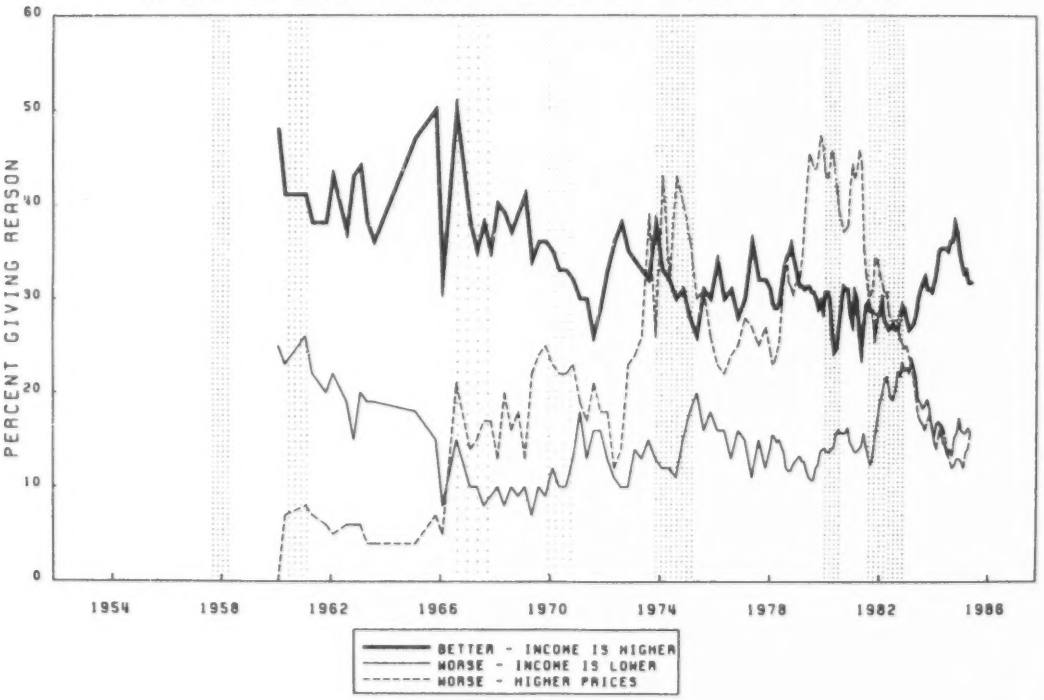


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	39%	31%	38%	39%	37%	35%	33%	33%	32%	34%	29%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	14	12	16	12	18	17	17	14	16	17	16	14
Higher prices	14	14	13	11	12	14	13	12	13	11	17	14	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

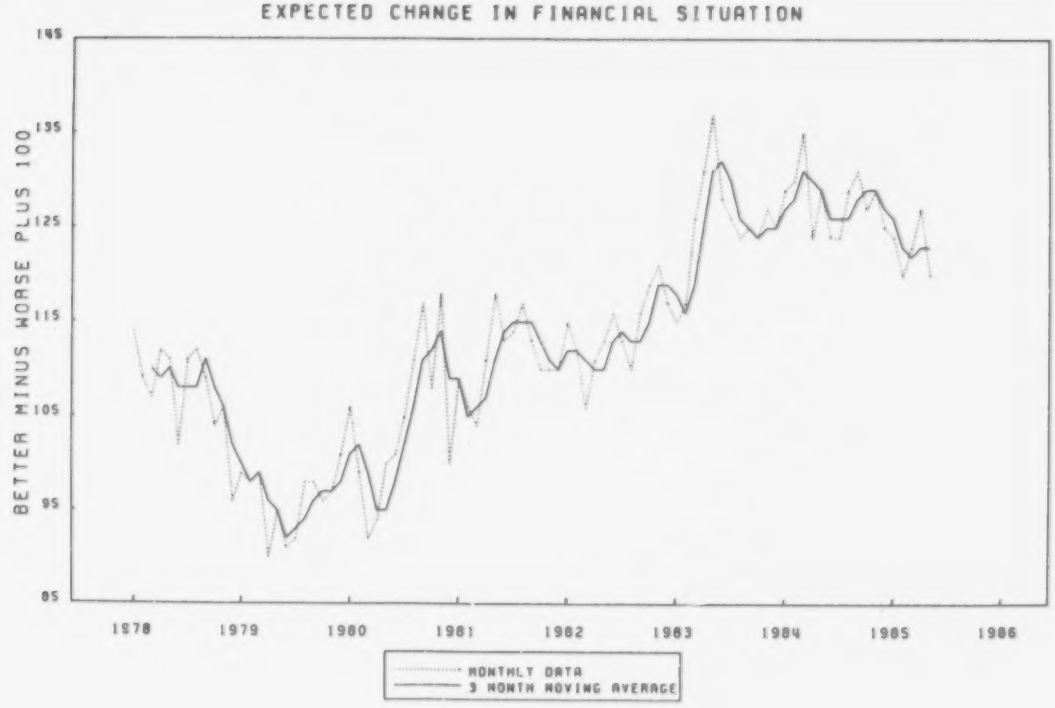


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

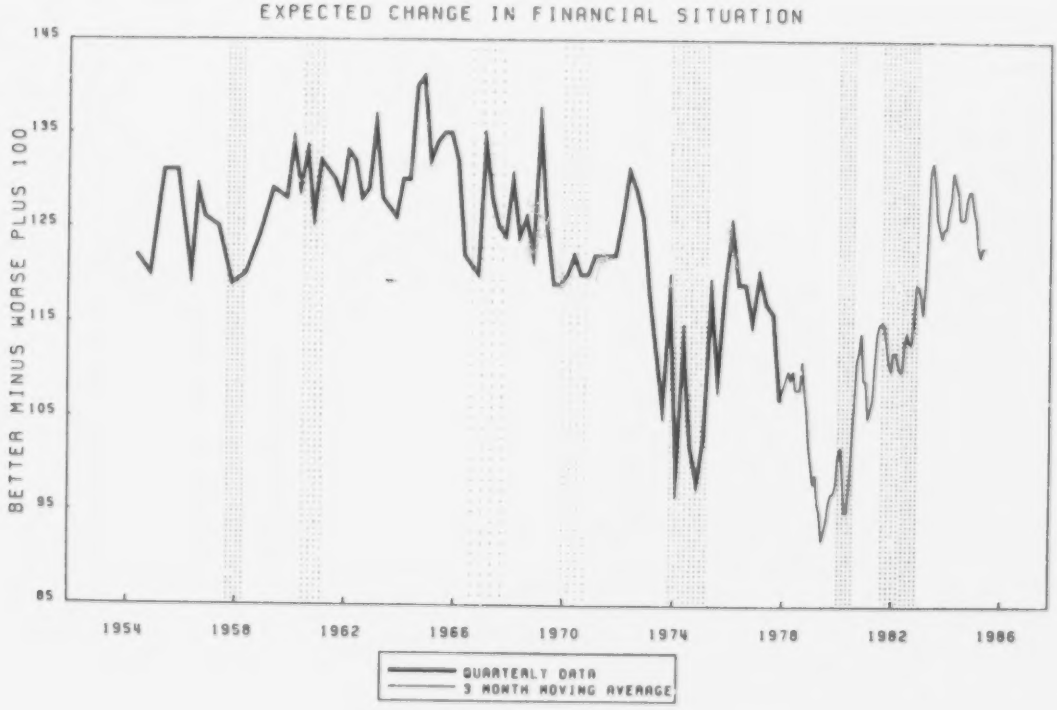


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
BETTER OFF	40%	35%	34%	38%	39%	38%	39%	36%	35%	33%	36%	37%	34%
SAME	47	52	51	49	49	47	48	50	52	50	49	49	49
WORSE OFF	11	11	10	9	8	11	10	11	11	13	13	10	14
DK,NA	2	2	5	4	4	4	3	3	2	4	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

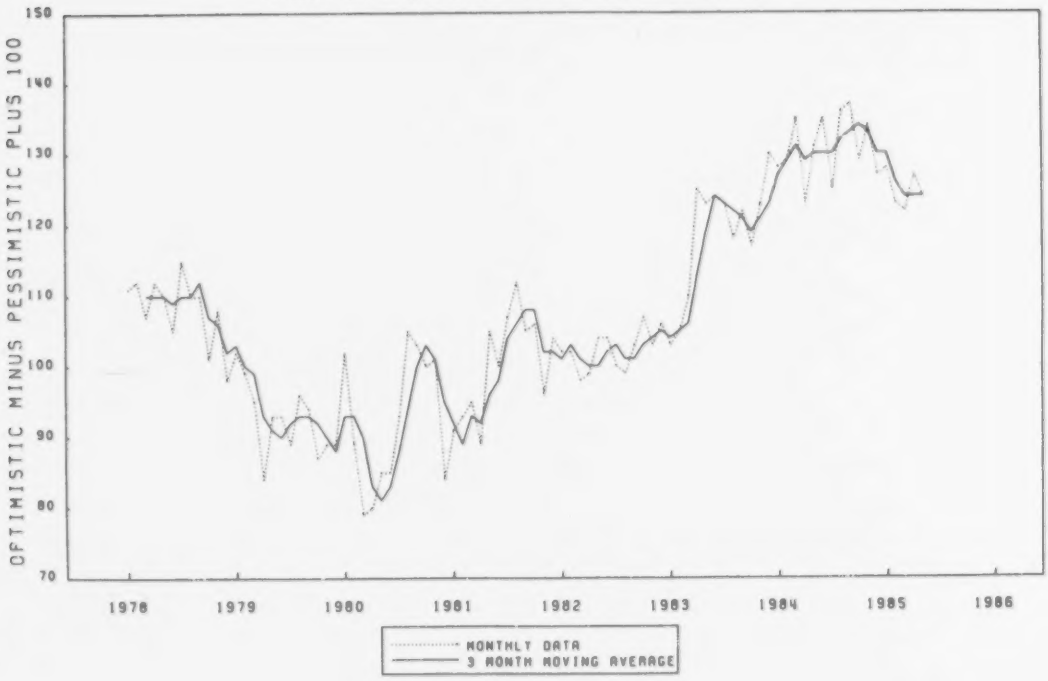


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

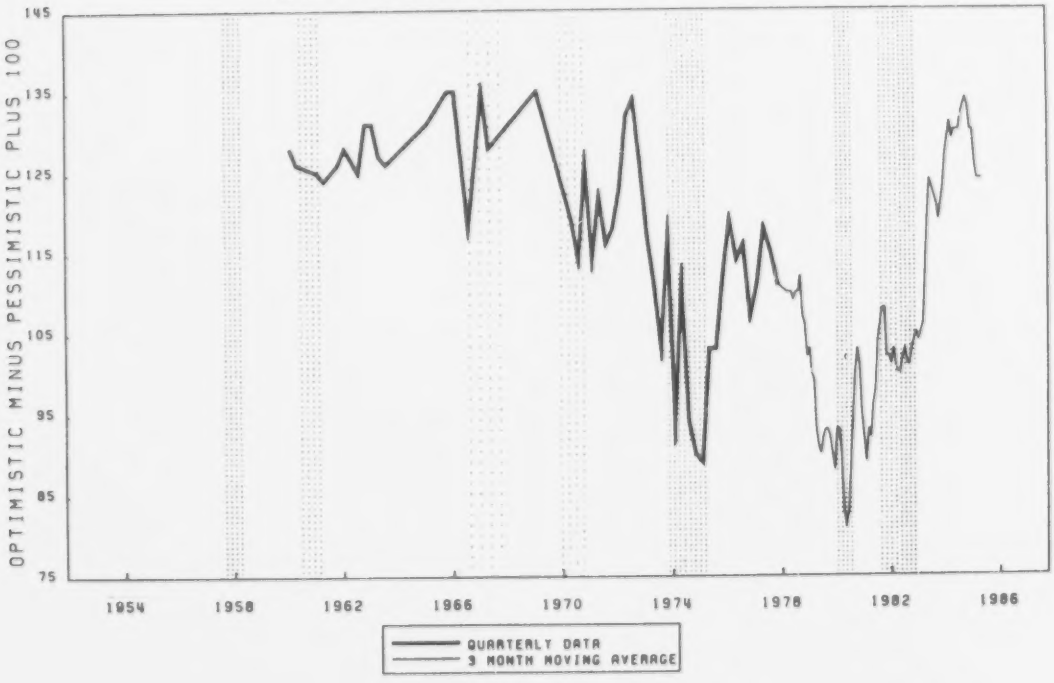


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	23%	20%	22%	24%	25%	21%	21%	23%	19%	20%	20%	22%	20%
Intermittent increase (b)	24	32	24	30	28	28	32	25	28	24	26	26	26
Remain unchanged (c)	21	19	21	17	20	17	15	19	22	20	18	20	21
Intermittent decline (d)	12	12	16	13	12	15	14	15	15	15	18	16	16
Continuous decline (e)	4	5	5	5	4	5	5	6	4	6	6	5	6
Mixed change (f)	14	10	7	8	7	10	10	9	9	12	10	8	8
DK,NA	2	2	5	3	4	4	3	3	3	3	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

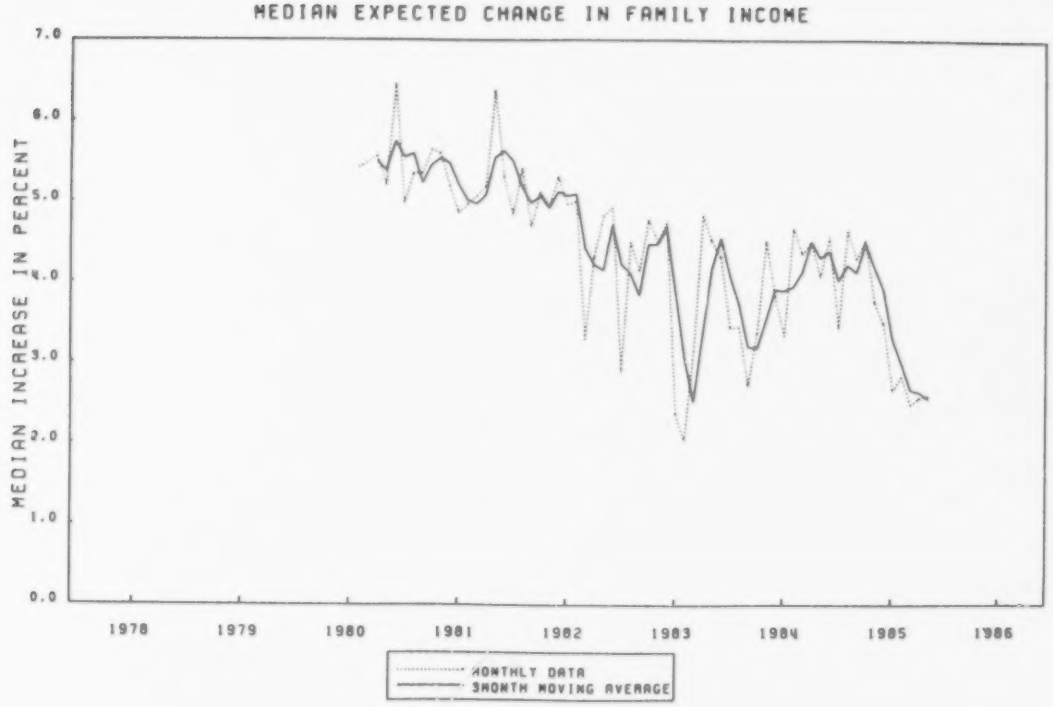


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

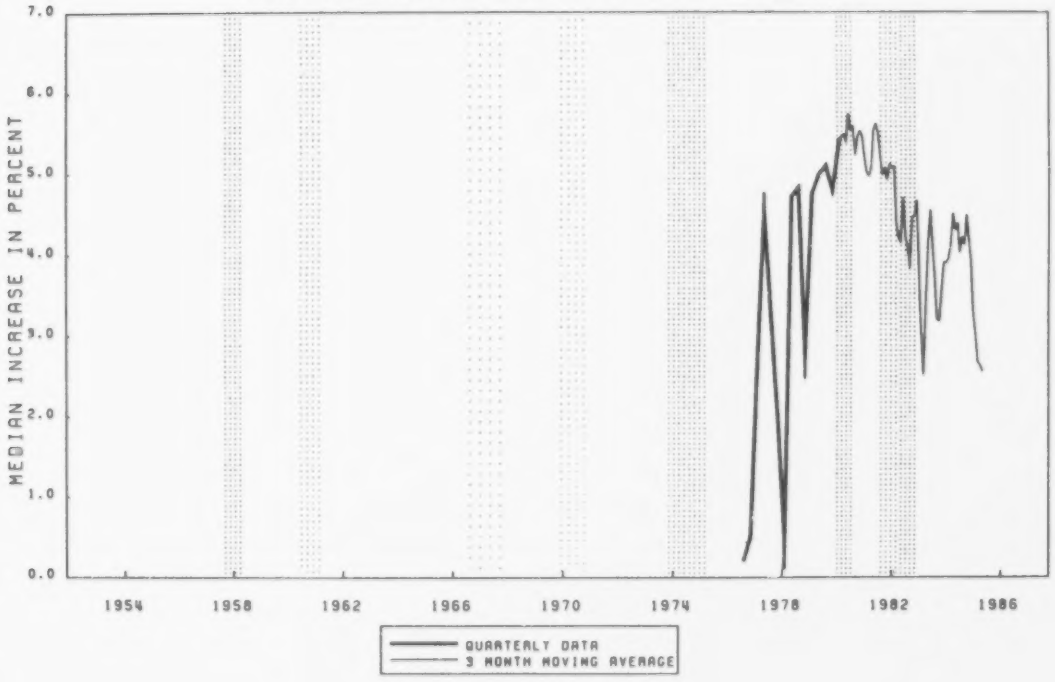


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
EXPECT INCREASE:													
1-4%	11%	12%	17%	13%	15%	10%	13%	12%	12%	14%	12%	11%	16%
5%	9	11	12	11	10	10	9	10	9	11	11	9	9
6-9%	7	12	8	11	10	8	7	8	9	6	7	7	5
10-24%	21	17	17	18	18	20	19	17	17	16	13	17	16
25% or more	8	7	6	7	7	8	8	7	6	7	8	8	7
DK how much up	6	3	4	3	4	5	6	7	3	3	4	3	4
EXPECT SAME	26	24	23	24	23	25	23	23	27	26	29	30	28
EXPECT DOWN	11	11	11	11	11	12	13	15	16	16	15	14	13
DK,NA	1	3	2	2	2	2	2	1	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

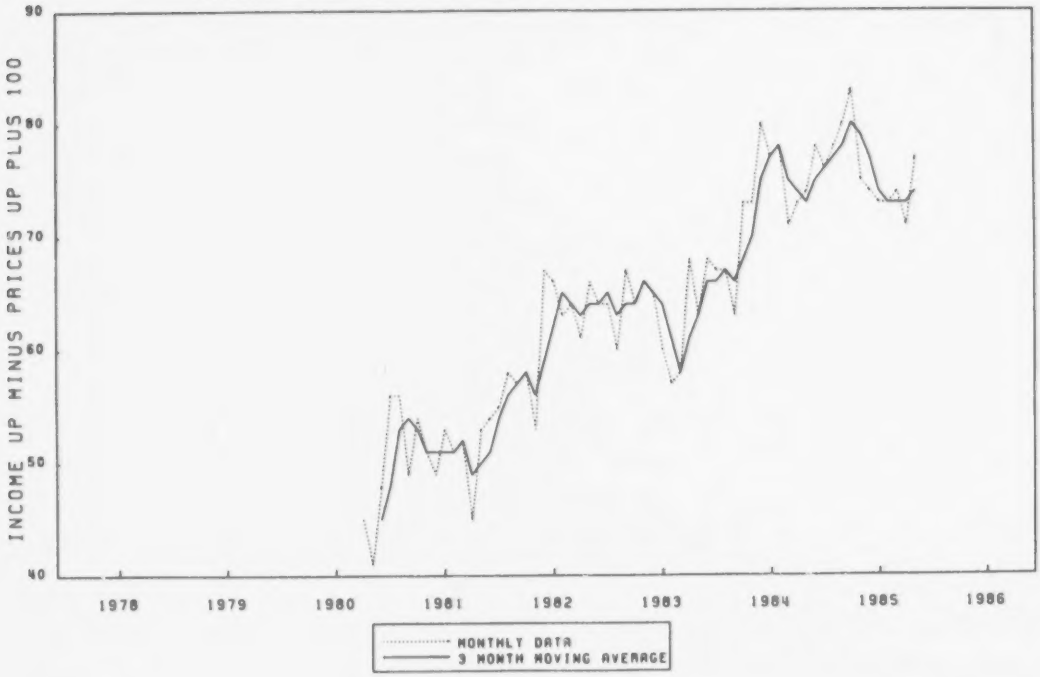


CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

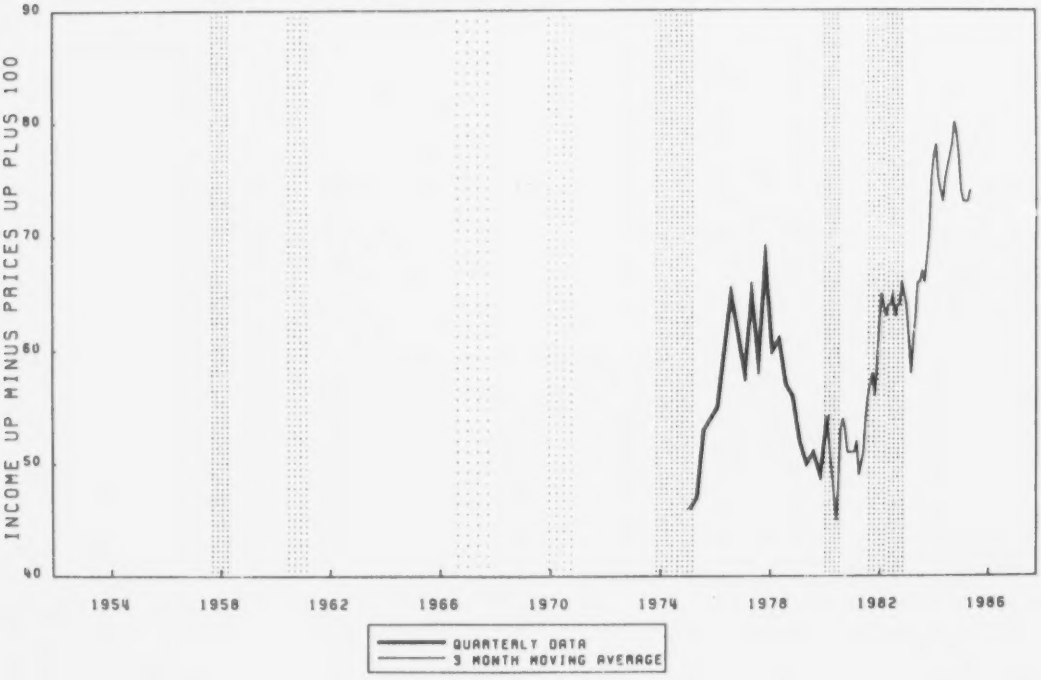


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
INCOME UP MORE	20%	21%	21%	21%	22%	25%	21%	19%	16%	19%	19%	18%	22%
INCOME UP SAME	33	34	33	34	36	31	31	35	40	34	35	34	32
PRICES UP MORE	46	43	45	43	42	42	46	45	43	46	45	47	45
DK,NA	1	2	1	2	*	2	2	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

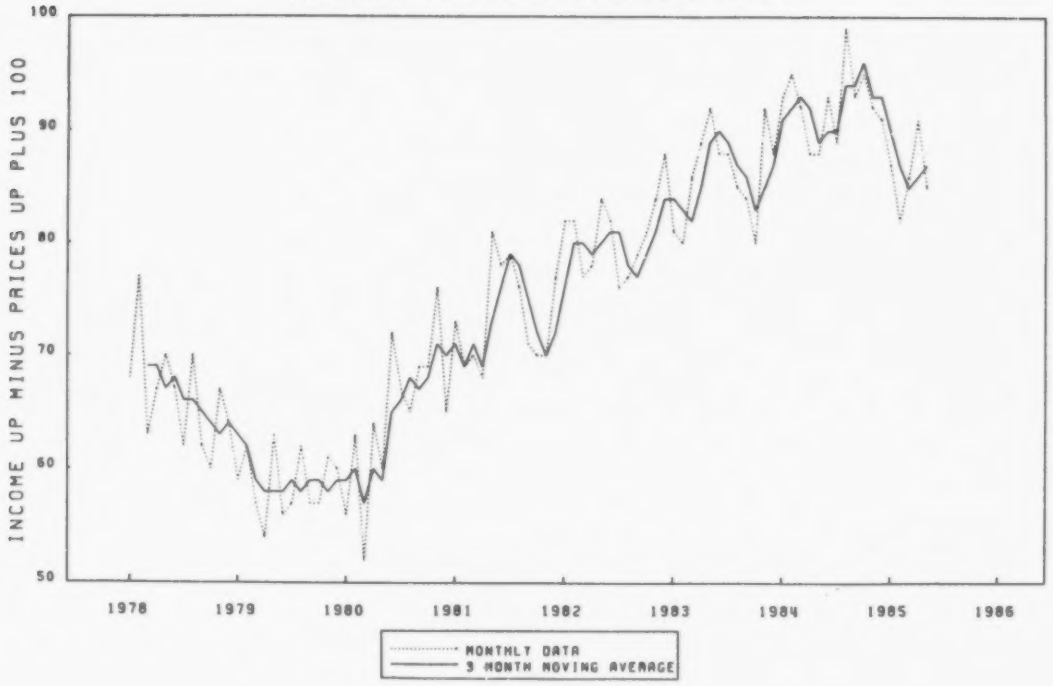


CHART 10 - HISTORICAL SERIES

INCOME OR PRICES UP MORE NEXT YEAR

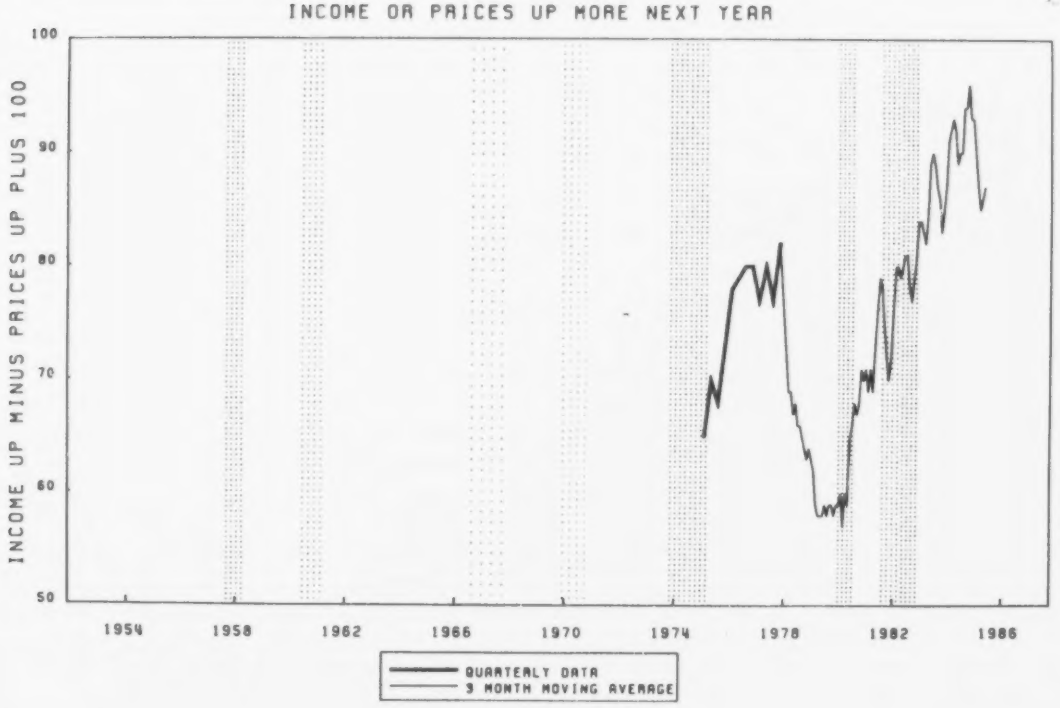


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
INCOME UP MORE	22%	22%	22%	25%	23%	25%	23%	21%	20%	20%	18%	23%	22%
INCOME UP SAME	42	47	41	45	44	43	44	46	45	40	49	42	39
PRICES UP MORE	34	29	33	26	30	30	31	30	33	38	32	32	37
DK,NA	2	2	4	4	3	2	2	3	2	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

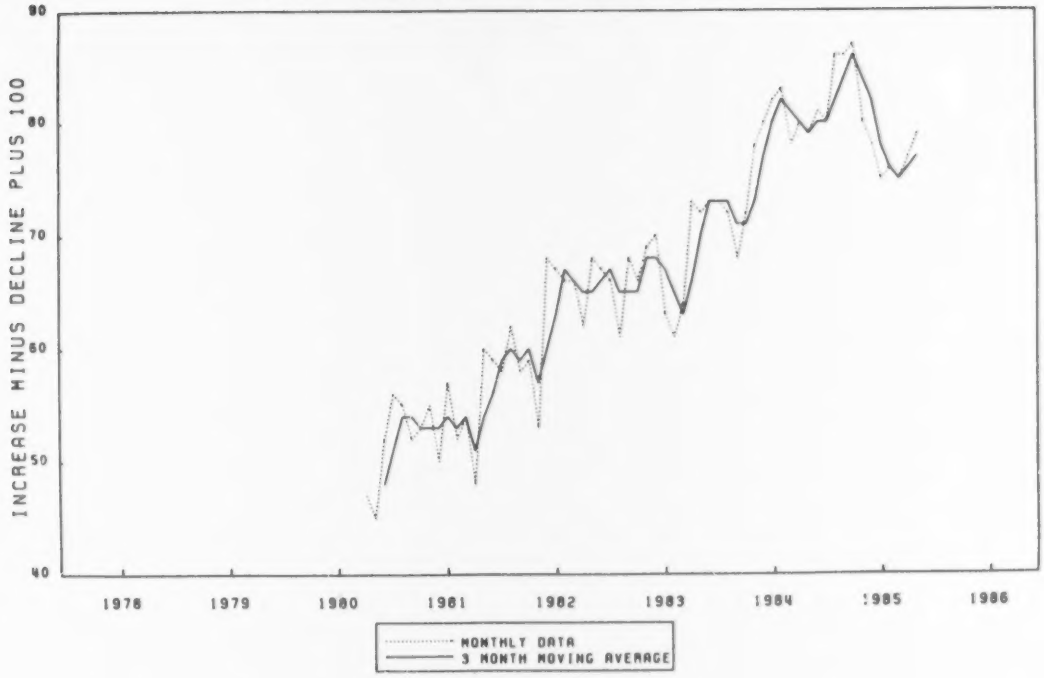


CHART 11 - HISTORICAL SERIES
TREND IN INCOME AND PRICE COMPARISON

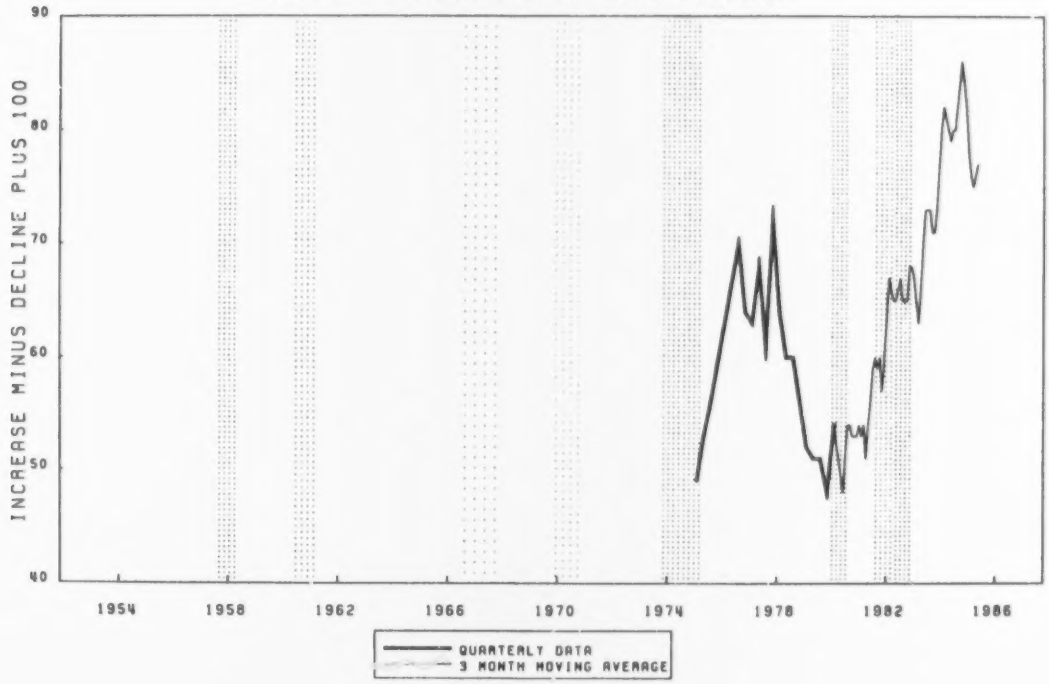


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	9%	11%	10%	12%	12%	14%	12%	10%	8%	10%	9%	11%	12%
Intermittent increase (b)	17	13	14	15	16	14	14	12	13	14	14	11	13
Remain unchanged (c)	17	22	20	21	22	20	19	23	24	20	23	22	20
Intermittent decline (d)	22	23	20	22	20	18	22	22	23	19	24	20	18
Continuous decline (e)	25	20	24	19	22	23	24	22	23	29	24	25	28
Mixed change (f)	7	8	8	6	5	7	6	8	6	6	4	7	7
DK,NA	3	3	4	5	3	4	3	3	3	2	2	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

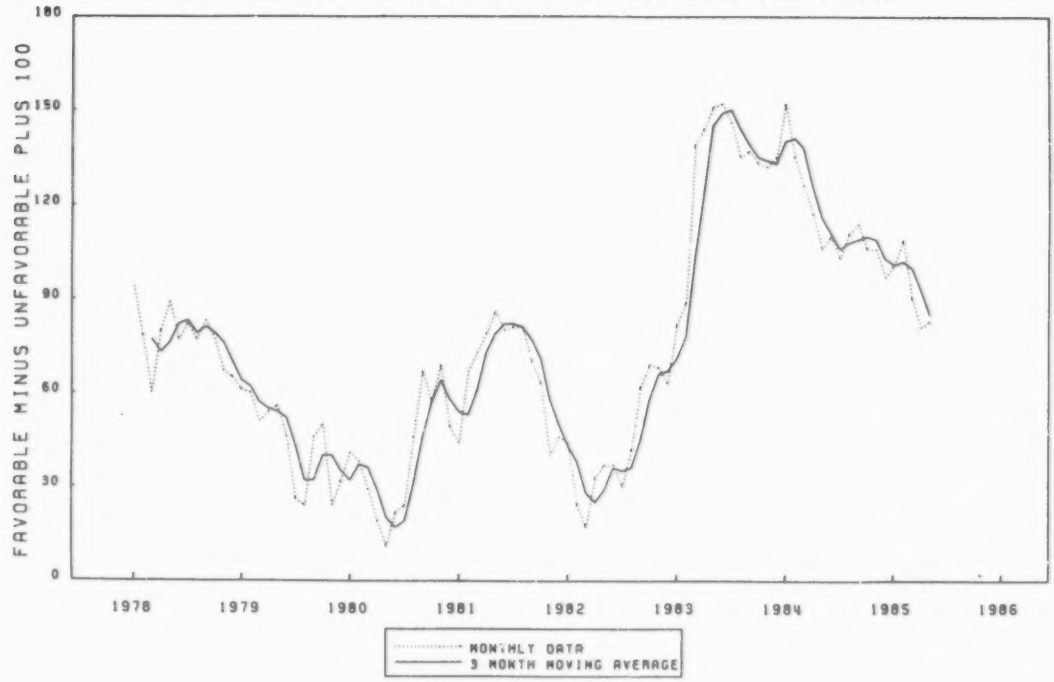


CHART12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

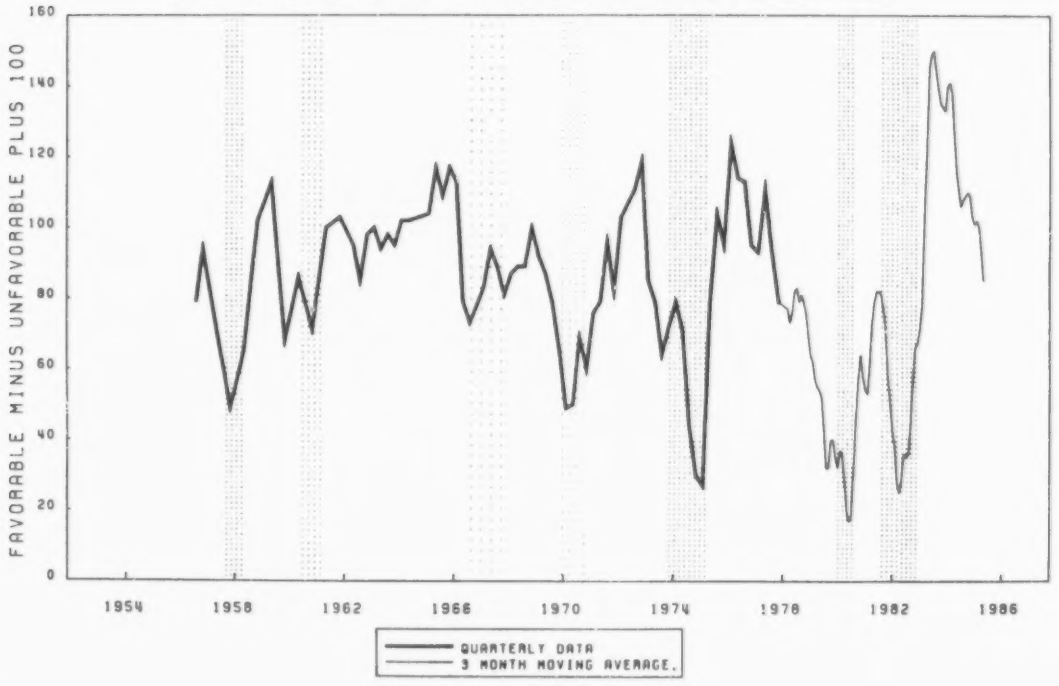


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
FAVORABLE NEWS	47%	50%	42%	51%	52%	44%	41%	39%	43%	50%	35%	30%	30%
UNFAVORABLE NEWS	41	40	39	40	38	38	35	42	42	41	45	49	47
NO MENTIONS	41	41	46	39	41	44	49	46	44	41	48	49	48

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

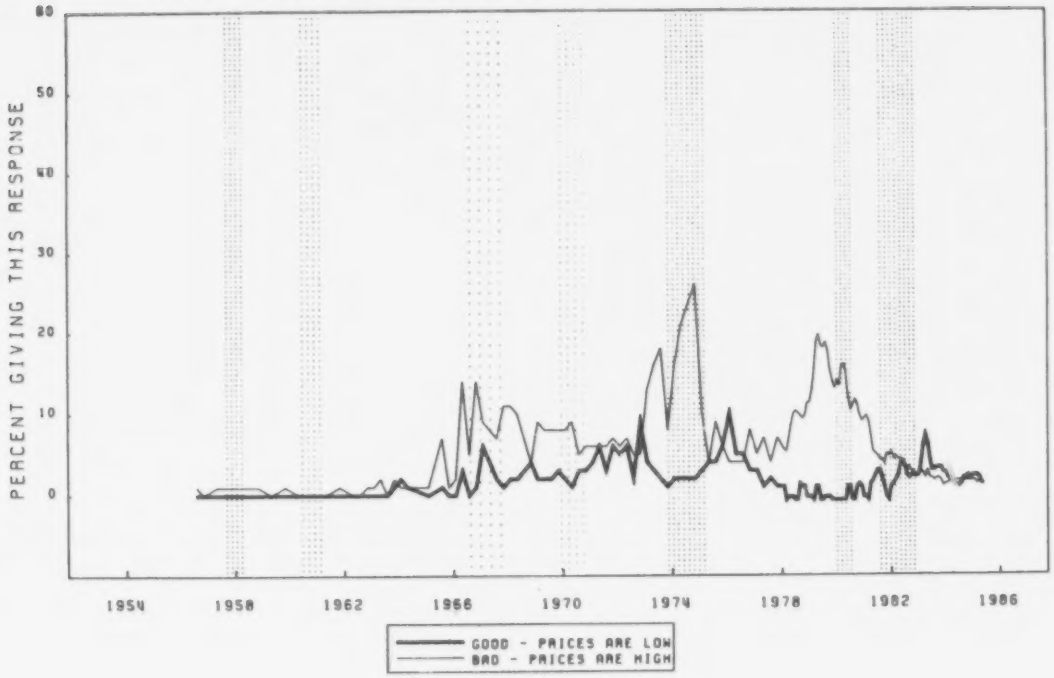


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

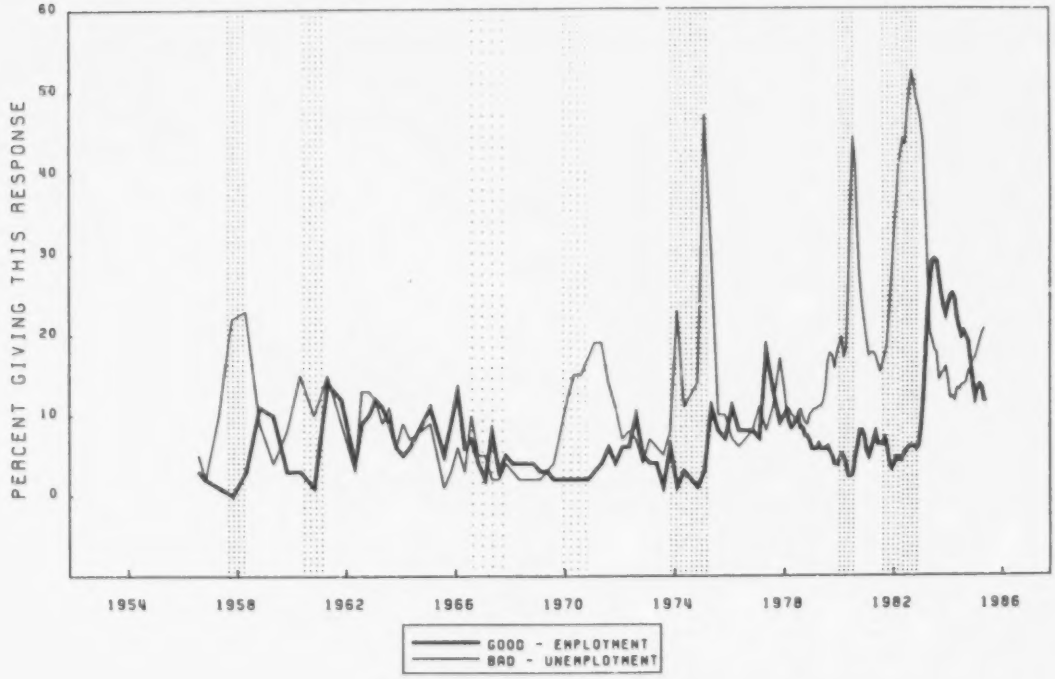


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
FAVORABLE NEWS:													
Government; elections	1%	2%	2%	2%	3%	1%	2%	3%	4%	3%	2%	1%	2%
Employment	18	21	20	20	19	18	13	11	12	17	12	11	12
Consumer demand high	10	8	4	7	7	5	4	5	5	5	5	3	3
Prices are low	1	1	1	2	3	1	3	2	2	3	2	1	1
Credit is easy	2	3	2	4	3	4	8	9	10	9	5	4	3
UNFAVORABLE NEWS:													
Government; elections	3	2	4	4	4	3	3	6	5	6	5	5	4
Unemployment	15	13	13	15	14	17	16	17	18	19	20	21	21
Consumer demand low	2	1	2	2	2	1	2	3	3	3	2	3	3
Prices are high	2	2	1	2	2	1	2	2	1	2	1	2	2
Credit is tight	10	12	13	9	6	5	3	2	2	1	2	2	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

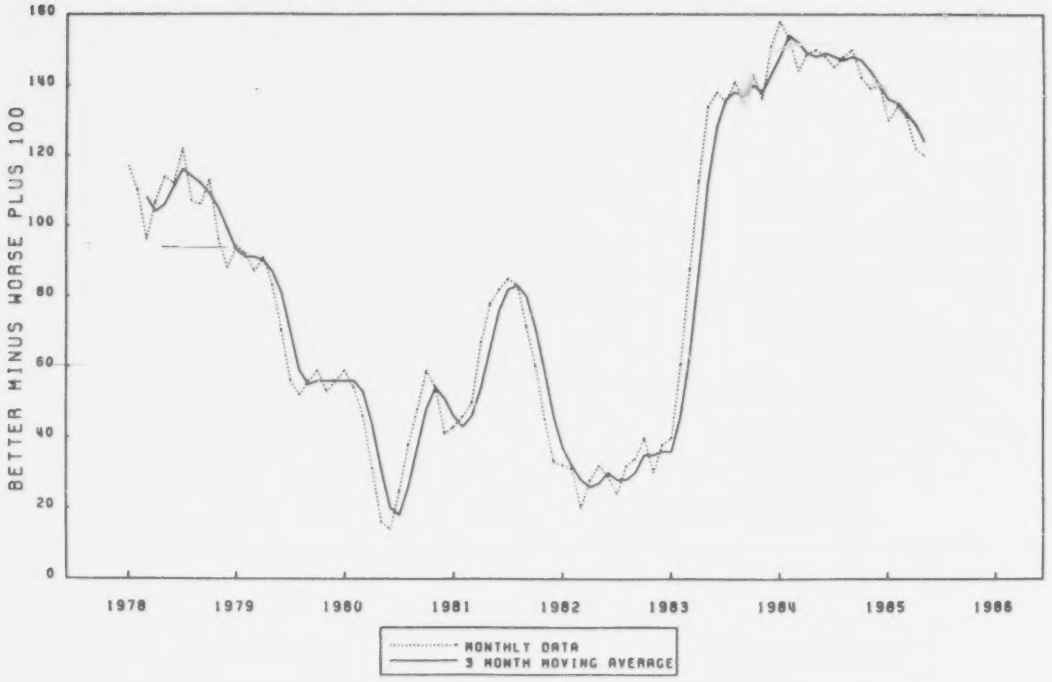


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

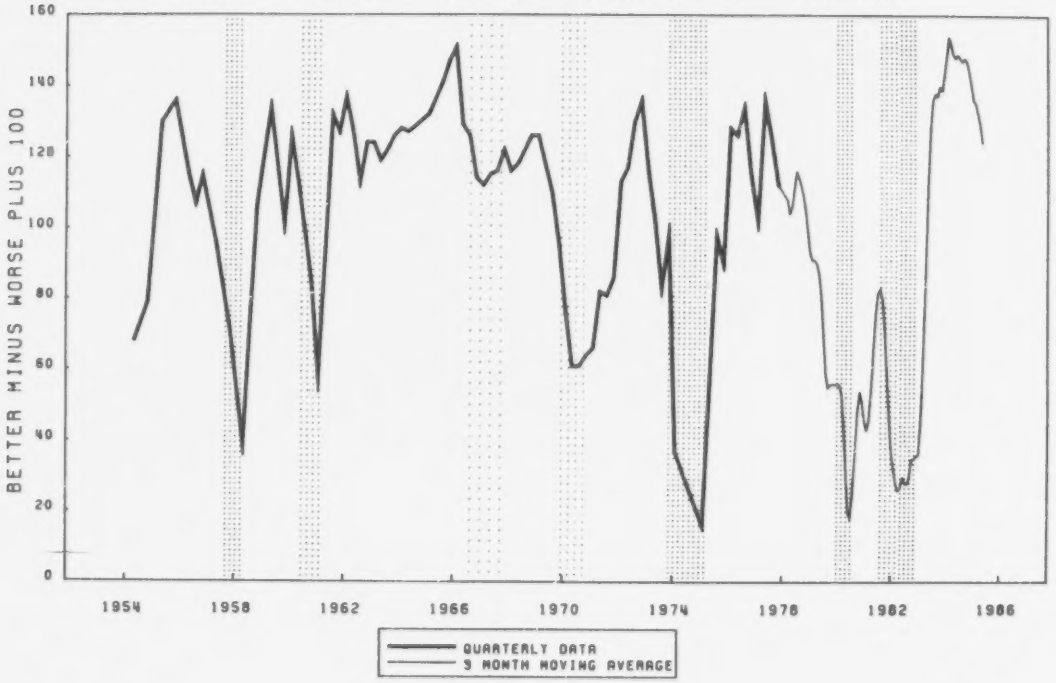


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
BETTER NOW	70%	67%	67%	68%	68%	65%	63%	63%	57%	60%	57%	51%	53%
SAME	9	12	9	11	12	10	12	13	14	12	15	17	13
WORSE NOW	20	19	22	20	18	23	24	23	27	26	26	29	33
DK,NA	1	2	2	1	2	2	1	1	2	2	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

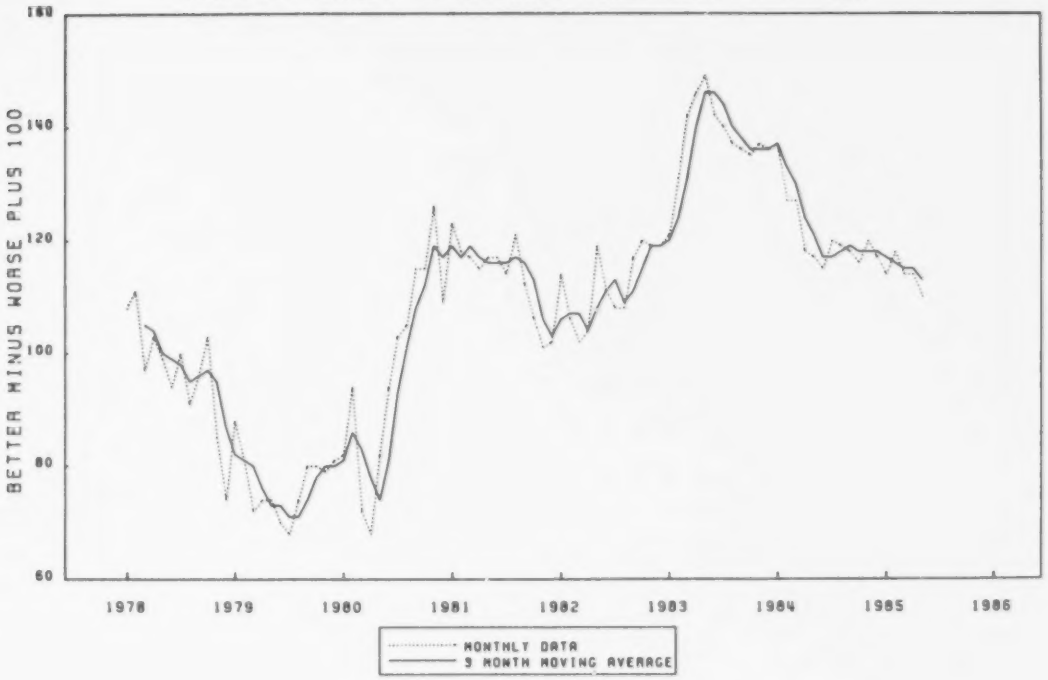


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

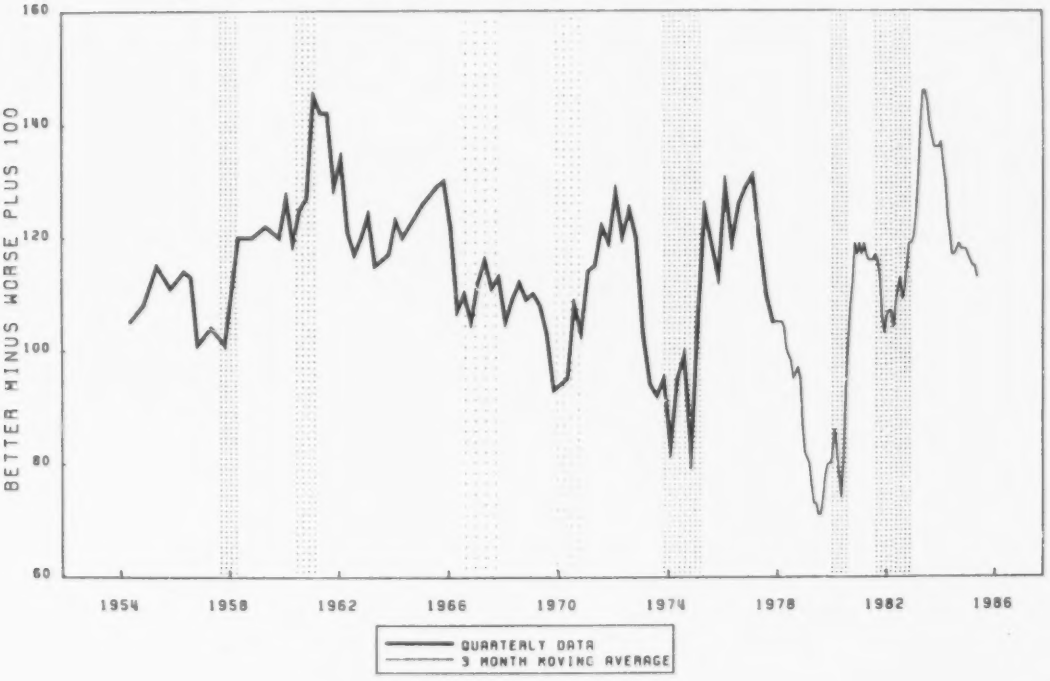


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
BETTER	31%	30%	32%	33%	33%	32%	35%	33%	29%	33%	29%	29%	27%
SAME	53	53	51	49	48	49	48	47	55	50	53	53	54
WORSE	14	15	12	14	15	16	15	16	15	15	15	15	17
DK,NA	2	2	5	4	4	3	2	4	1	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

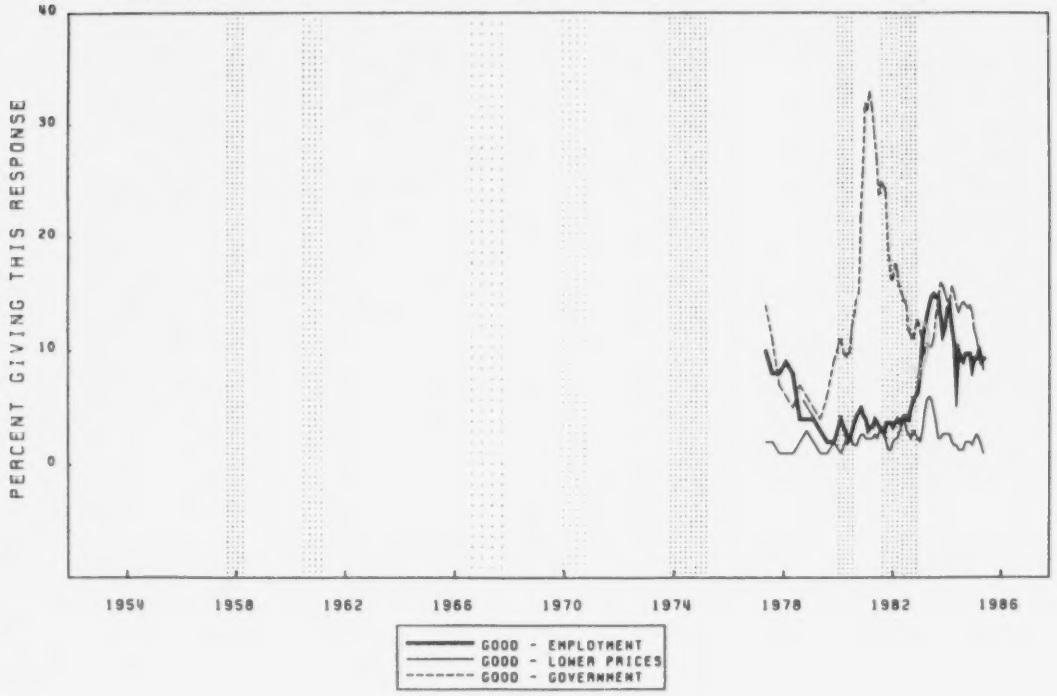


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

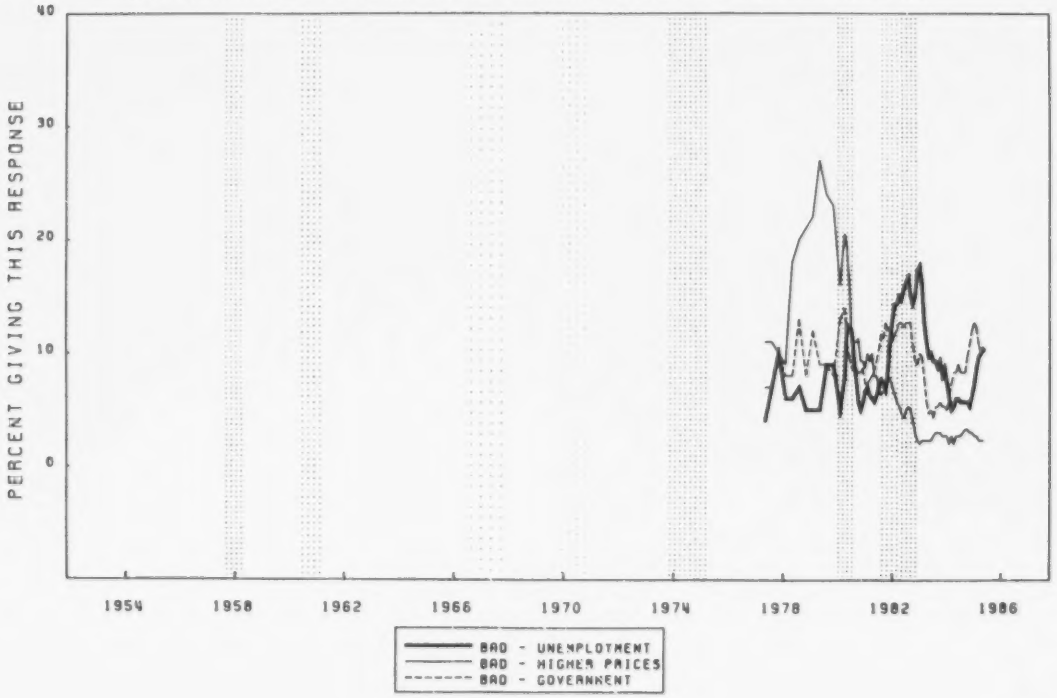


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
FAVORABLE REASONS:													
Government; elections	12%	15%	15%	13%	14%	14%	14%	12%	9%	12%	8%	9%	8%
Employment	9	10	9	8	12	9	8	8	12	8	10	9	9
Higher consumer demand	5	4	5	5	2	2	5	4	4	4	5	5	4
Lower prices	2	1	1	2	3	1	2	2	3	3	1	1	1
Easier credit	2	2	4	4	4	3	5	6	4	4	4	3	2
UNFAVORABLE REASONS:													
Government; elections	9	11	5	9	11	9	12	15	11	11	10	9	13
Unemployment	6	5	6	6	5	6	5	8	9	9	11	10	10
Lower consumer demand	2	2	2	3	2	2	3	4	2	2	4	4	4
Higher prices	3	2	3	4	3	3	3	3	2	3	2	2	3
Tighter credit	7	8	7	5	4	4	3	3	4	3	2	2	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

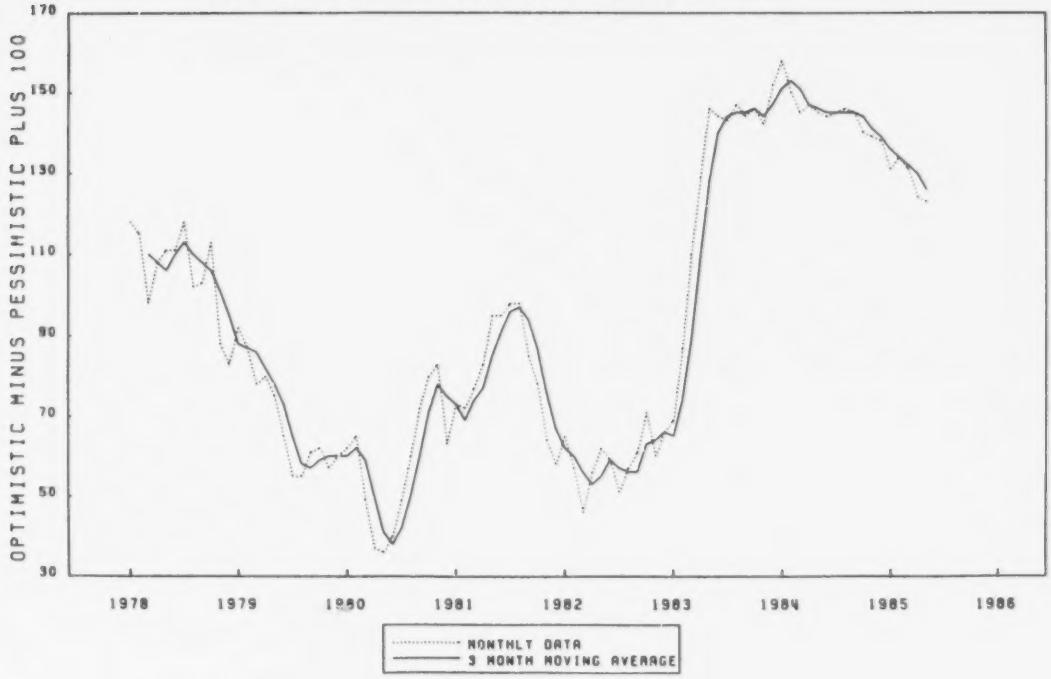


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

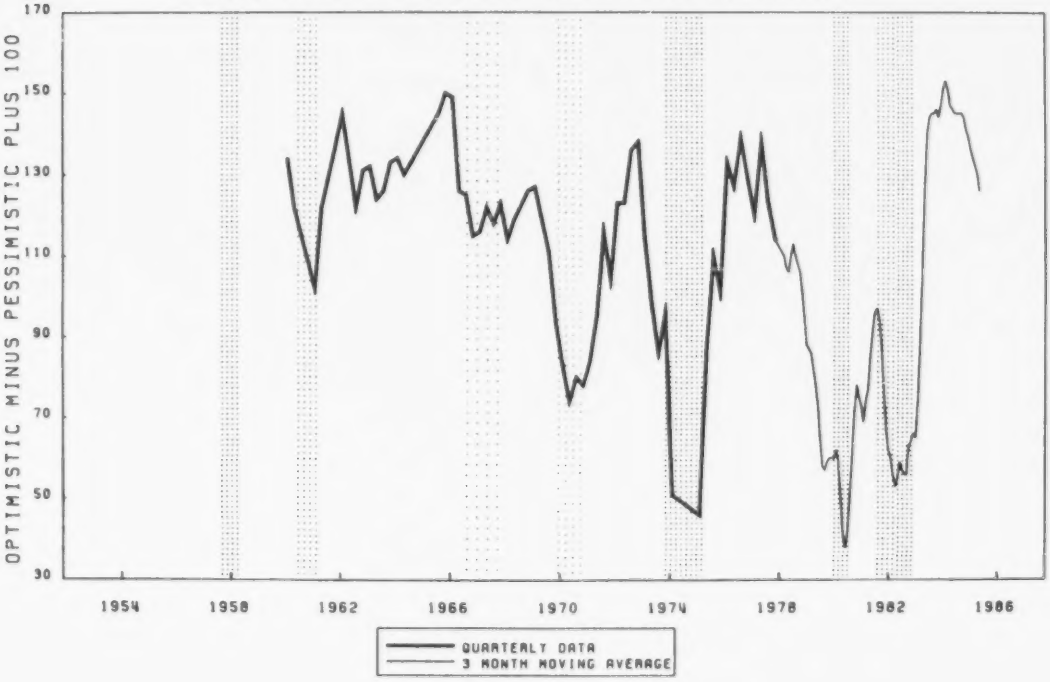


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
TREND:													
Continuous increase (a)	27%	25%	25%	25%	27%	24%	28%	27%	21%	26%	22%	21%	18%
Intermittent increase (b)	36	37	38	36	35	36	32	32	36	31	33	29	34
Remain unchanged (c)	7	7	4	6	6	5	6	7	8	7	9	11	8
Intermittent decline (d)	13	11	12	10	11	12	14	13	17	15	15	18	18
Continuous decline (e)	5	7	6	5	6	8	7	8	9	8	9	8	11
Mixed change (f)	10	9	9	12	10	10	9	9	7	9	8	8	8
DK,NA	2	4	6	6	5	5	4	4	2	4	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

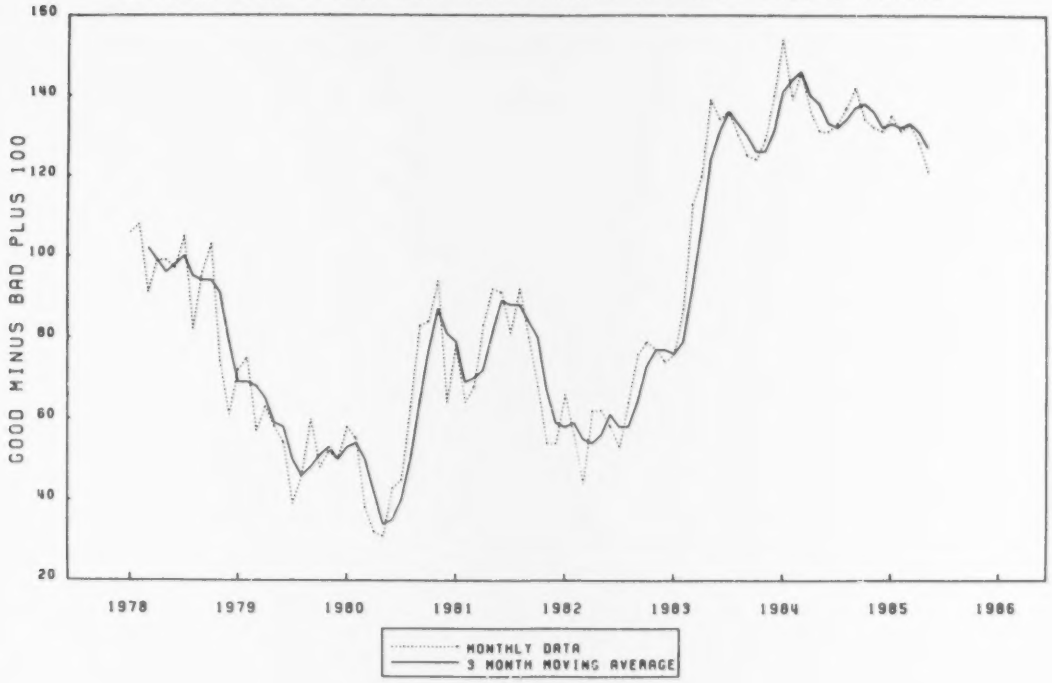


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

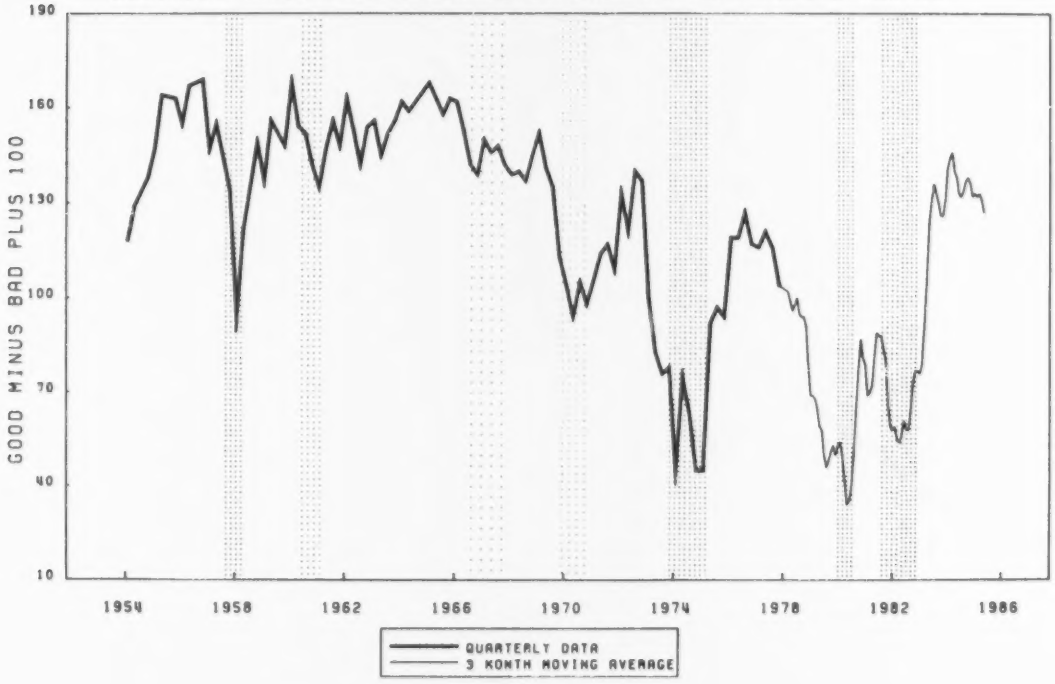


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIMES	60%	60%	61%	62%	66%	60%	59%	59%	63%	62%	62%	58%	55%
UNCERTAIN; GOOD & BAD	3	2	2	3	3	4	3	3	4	2	2	3	1
BAD TIMES	29	29	28	25	24	26	27	28	28	31	29	30	34
DON'T KNOW	5	6	6	7	6	6	7	7	4	3	5	6	6
NOT ASCERTAINED	3	3	3	3	1	4	4	3	1	2	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

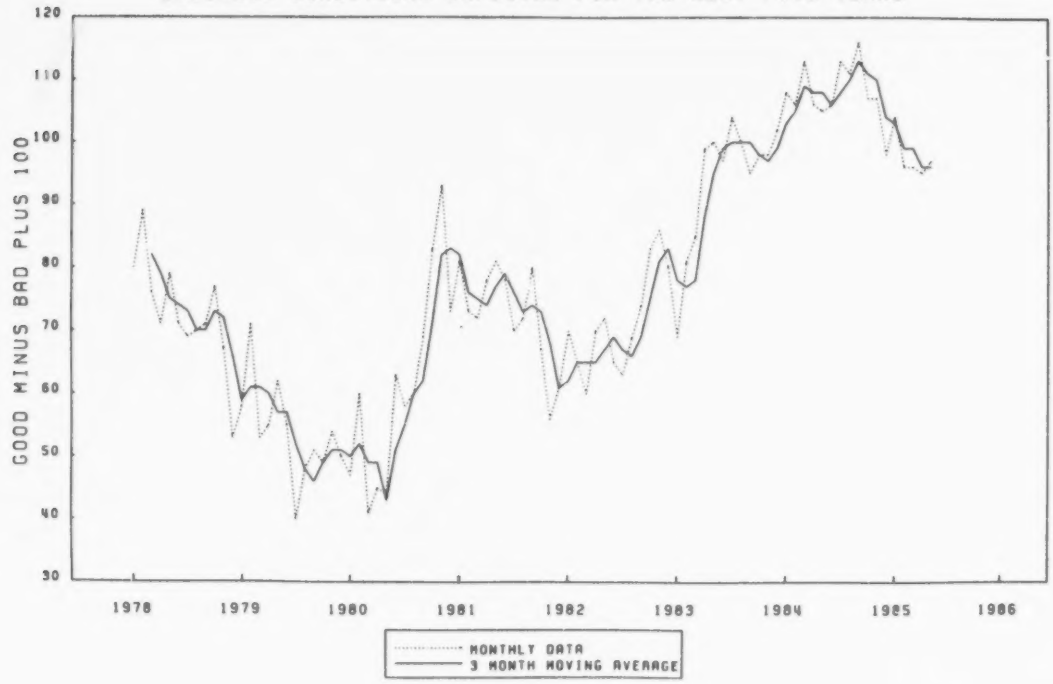


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

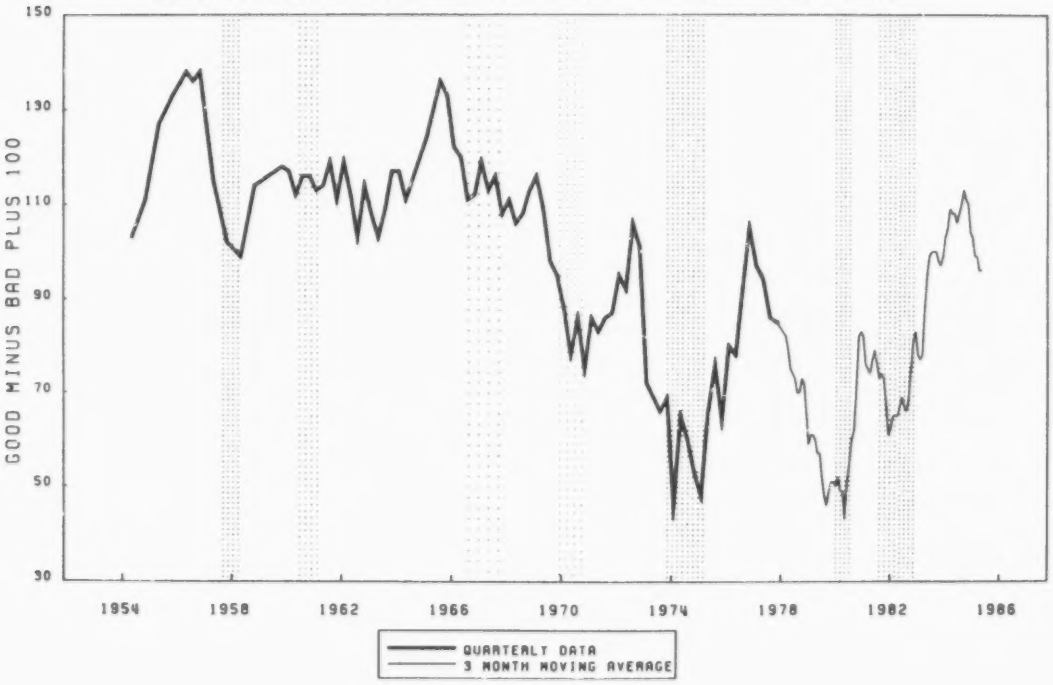


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIMES	43%	42%	44%	47%	47%	43%	42%	39%	43%	41%	40%	39%	40%
UNCERTAIN; GOOD & BAD	15	17	19	13	17	17	17	15	15	11	13	14	14
BAD TIMES	38	36	31	36	31	36	35	41	39	45	44	44	43
NOT ASCERTAINED	4	5	6	4	5	4	6	5	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

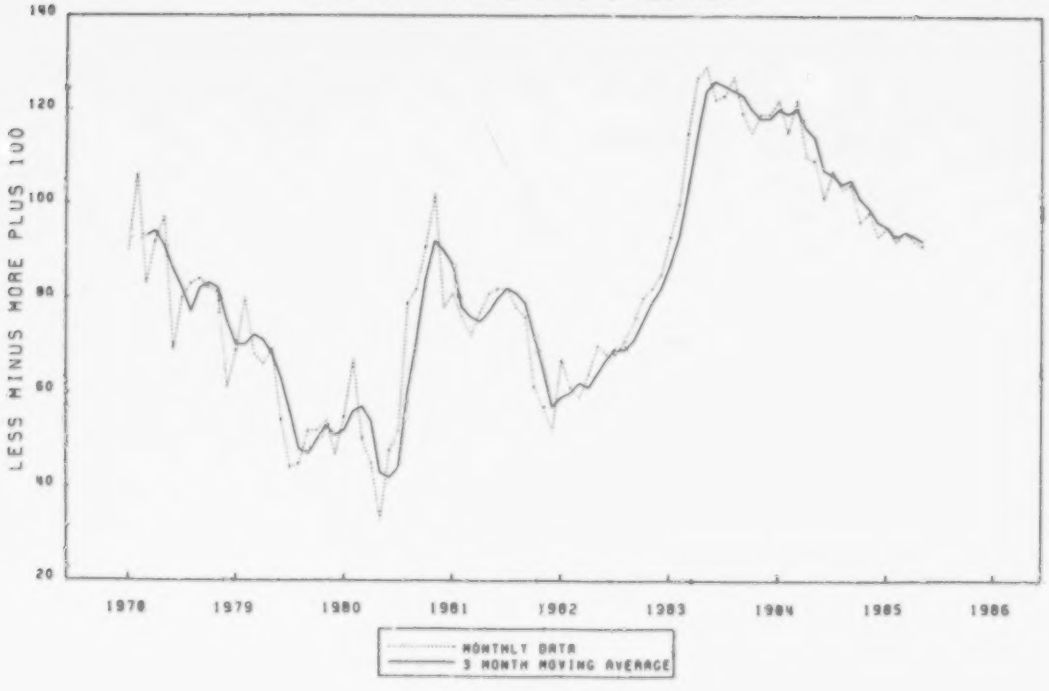


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

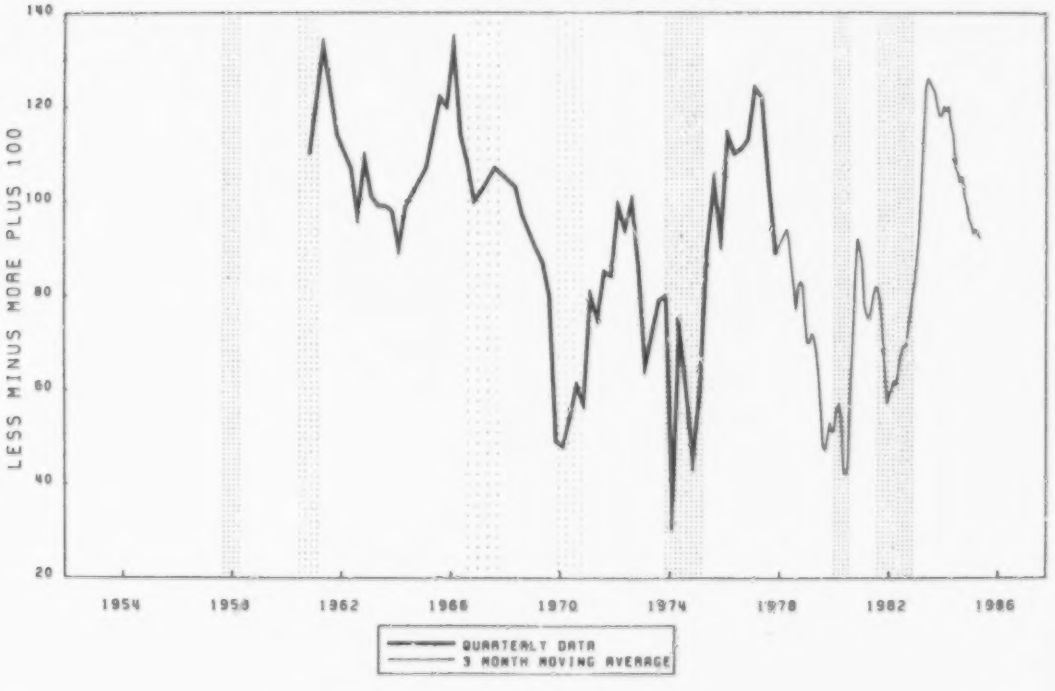


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
LESS	29%	24%	26%	24%	26%	20%	22%	21%	20%	20%	23%	20%	19%
SAME	51	52	53	54	50	54	52	50	54	50	47	50	52
MORE	20	23	19	21	22	24	24	28	25	28	29	28	28
DK,NA	*	1	2	1	2	2	2	1	1	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

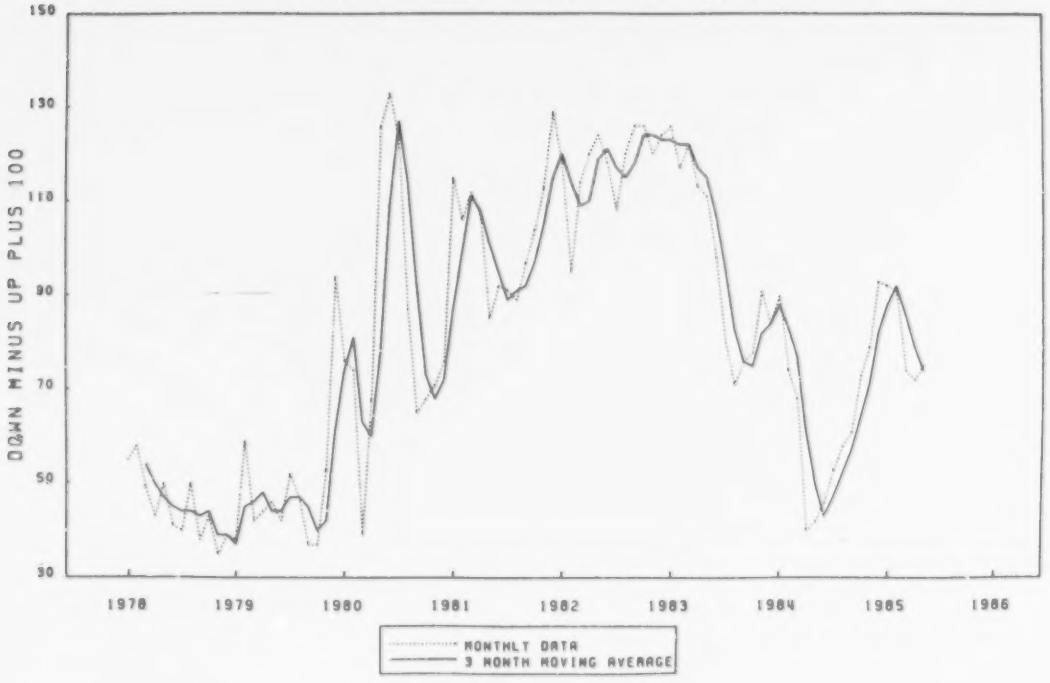


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

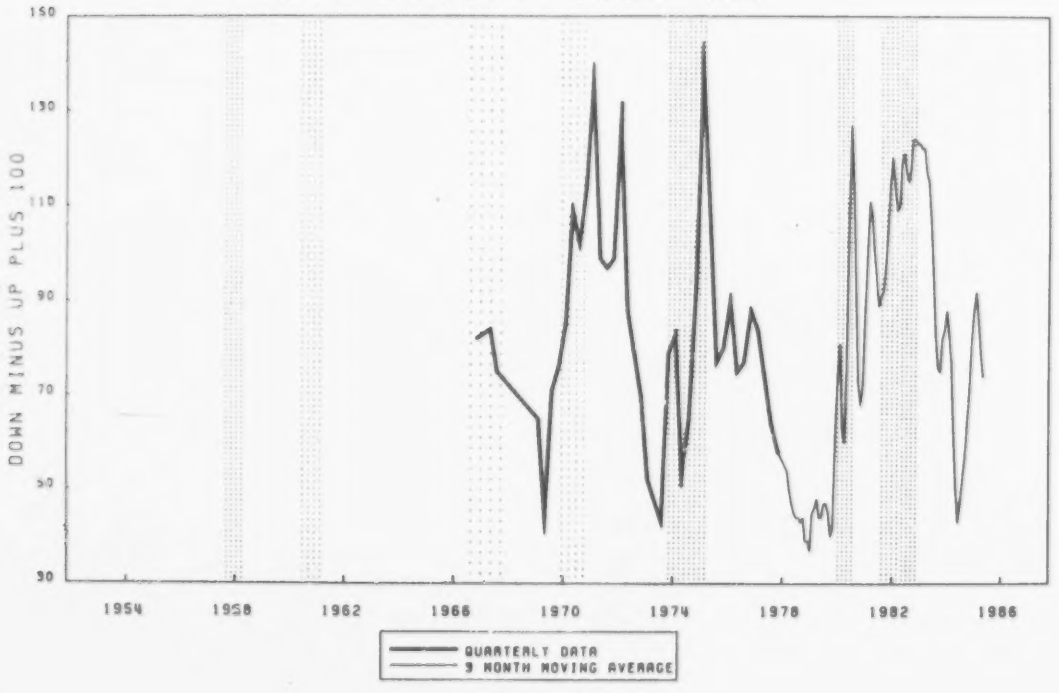


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GO UP	66%	64%	58%	55%	52%	45%	44%	37%	36%	35%	45%	47%	44%
STAY THE SAME	25	24	27	29	32	33	31	30	33	37	32	31	34
GO DOWN	8	10	11	13	13	18	23	30	28	26	19	19	19
DK,NA	1	2	4	3	3	4	2	3	3	2	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

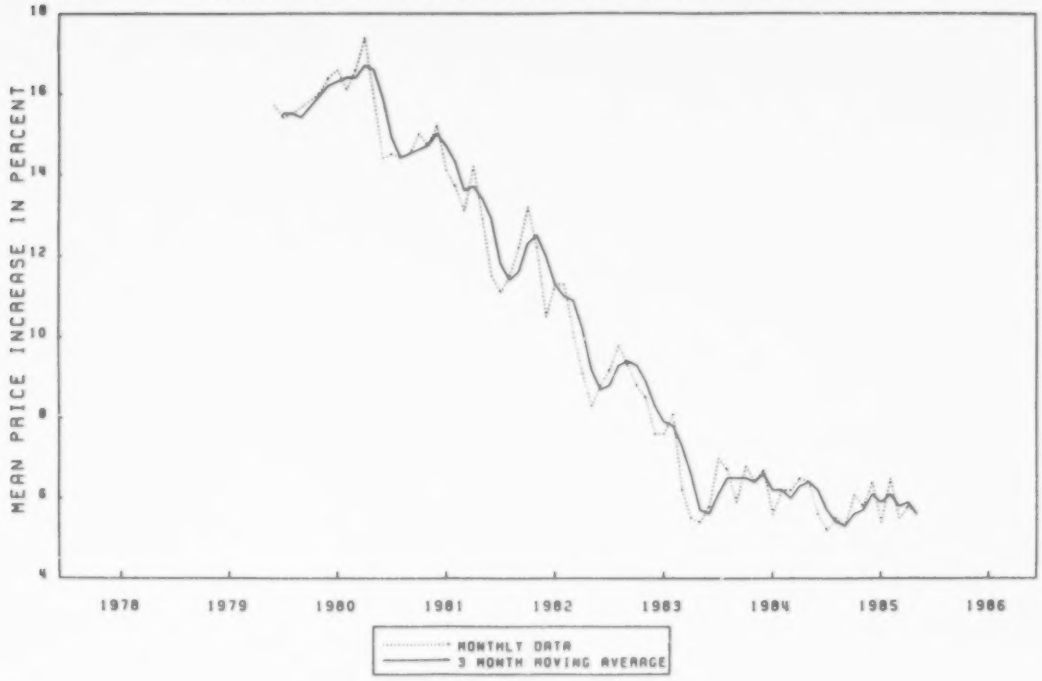


CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

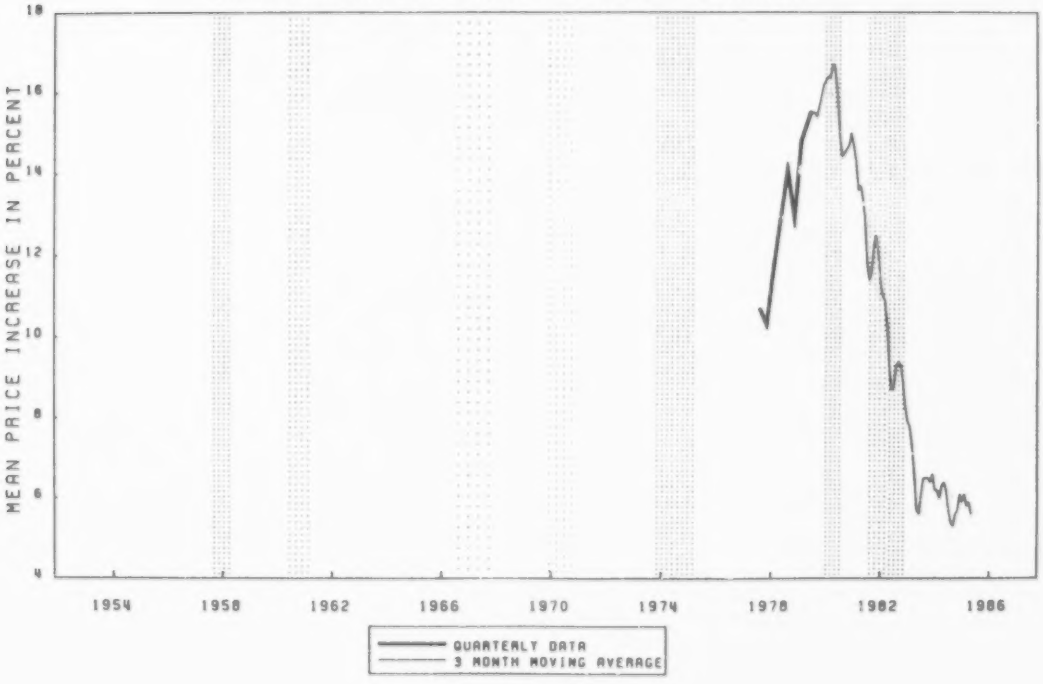


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
SAME OR DOWN	23%	22%	27%	29%	29%	28%	27%	24%	25%	25%	28%	24%	23%
GONE UP BY:													
1-2%	10	12	8	10	9	9	11	9	11	11	11	10	13
3-4%	14	17	17	12	16	15	15	14	17	16	18	17	18
5%	17	16	16	18	16	13	14	18	17	13	14	16	16
6-9%	9	8	8	8	7	7	5	6	7	8	5	8	7
10-14%	13	12	11	11	9	11	11	11	10	11	10	13	9
15% or more	10	8	8	7	8	11	10	10	8	11	9	8	9
DK how much up	4	5	4	5	6	5	6	7	5	4	5	4	4
DK,NA	*	*	1	*	*	1	1	1	*	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	6.4	5.6	5.2	5.5	5.3	6.1	5.8	6.4	5.4	6.5	5.5	5.8	5.6
VARIANCE	78	54	48	75	63	84	76	86	66	93	72	64	72
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

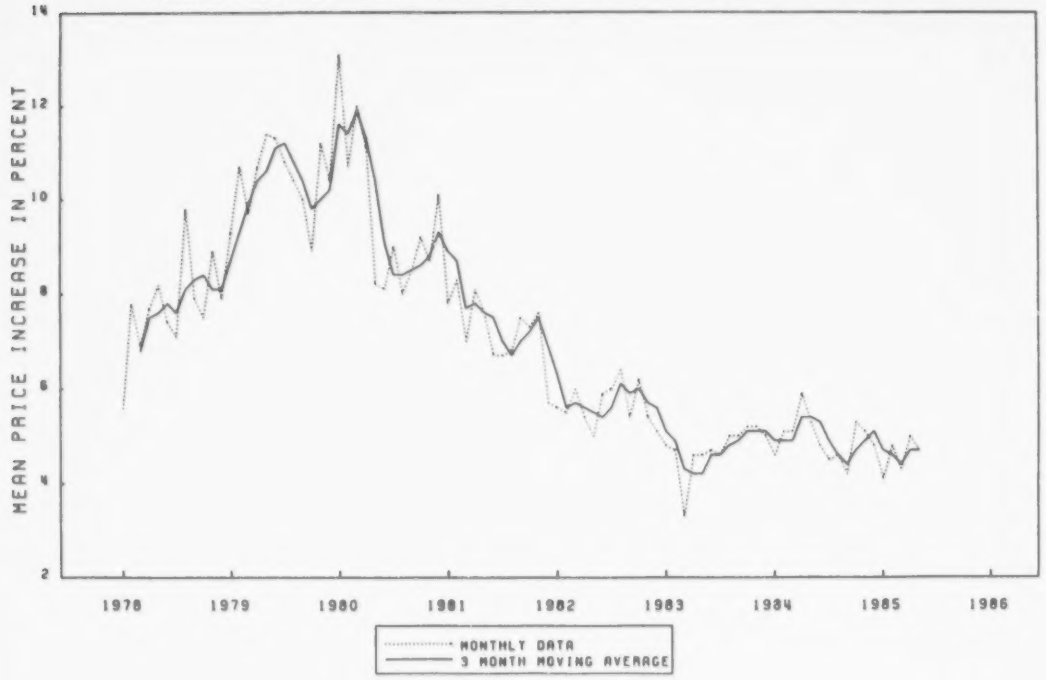


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

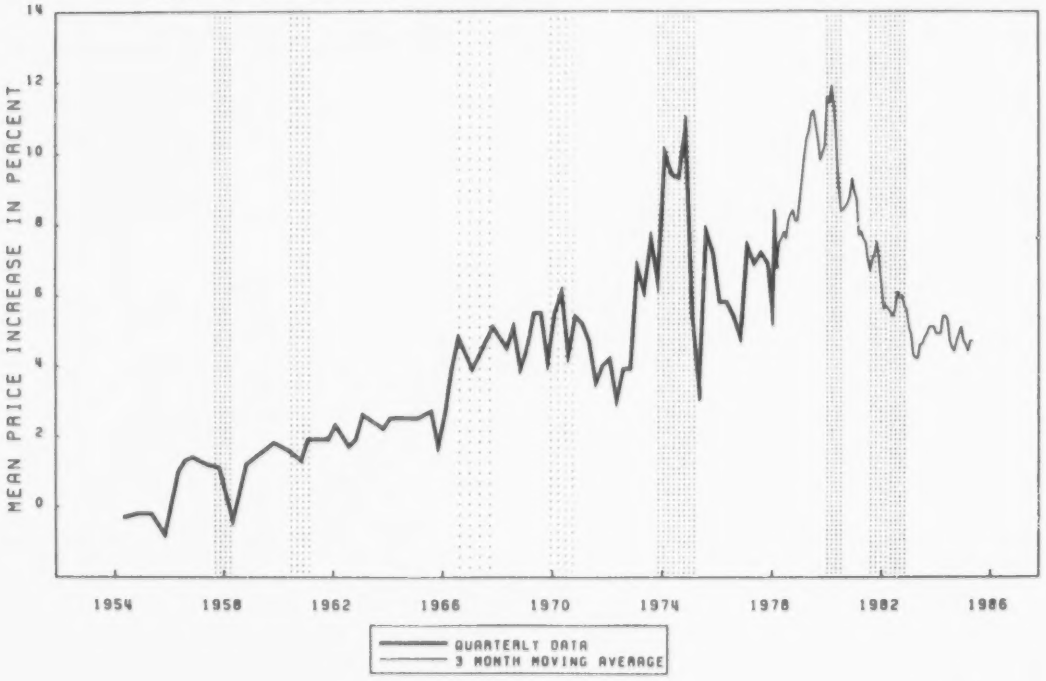


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
SAME OR DOWN	19%	19%	23%	24%	24%	22%	23%	25%	26%	25%	26%	22%	20%
WILL GO UP BY:													
1-2%	15	14	13	18	16	13	14	13	16	14	15	13	17
3-4%	15	16	17	15	19	15	17	17	20	19	19	20	20
5%	20	18	20	18	14	18	18	16	15	15	15	16	20
6-9%	11	11	8	6	8	9	6	9	6	6	6	8	6
10-14%	9	13	8	8	8	10	9	9	7	10	9	11	7
15% or more	6	4	5	5	4	7	7	5	4	6	6	6	6
DK how much up	4	4	3	5	4	4	4	4	4	4	4	3	2
DK,NA	1	1	3	1	3	2	2	2	2	1	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.3	4.8	4.5	4.6	4.2	5.3	5.1	4.8	4.1	4.8	4.3	5.0	4.7
VARIANCE	49	27	33	46	36	53	47	44	36	51	34	44	46
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

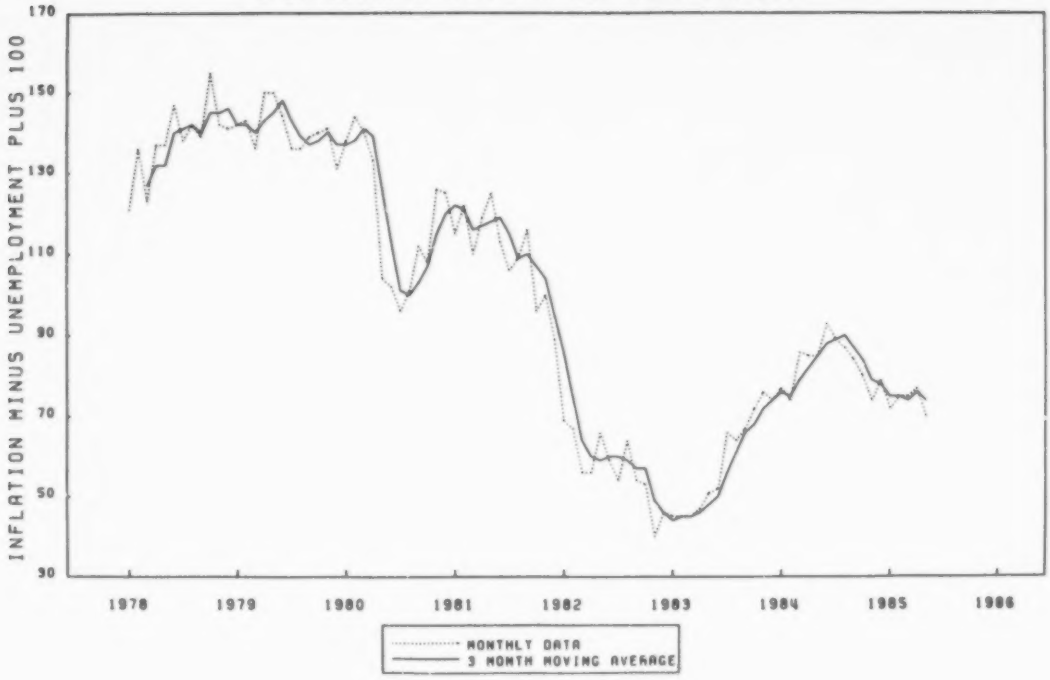


CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

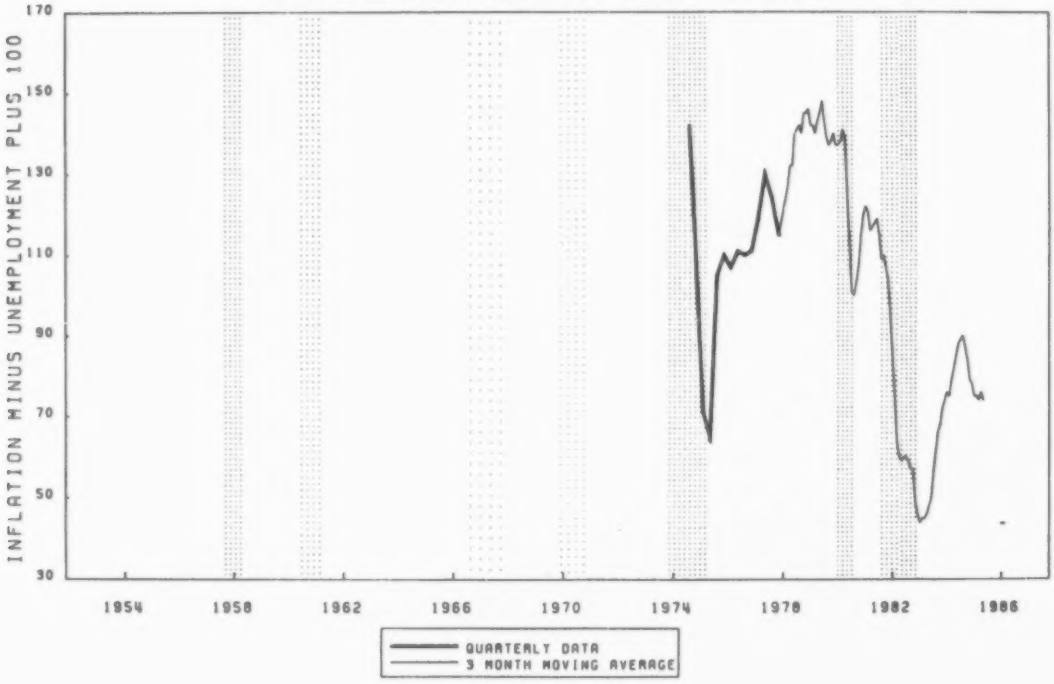


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
UNEMPLOYMENT	54%	51%	51%	52%	54%	55%	59%	56%	60%	58%	59%	57%	61%
BOTH EQUALLY SERIOUS	6	3	7	6	5	8	7	6	6	5	5	6	6
INFLATION	39	44	40	39	38	35	33	35	32	33	34	34	31
DK,NA	1	2	2	3	3	2	1	3	2	4	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

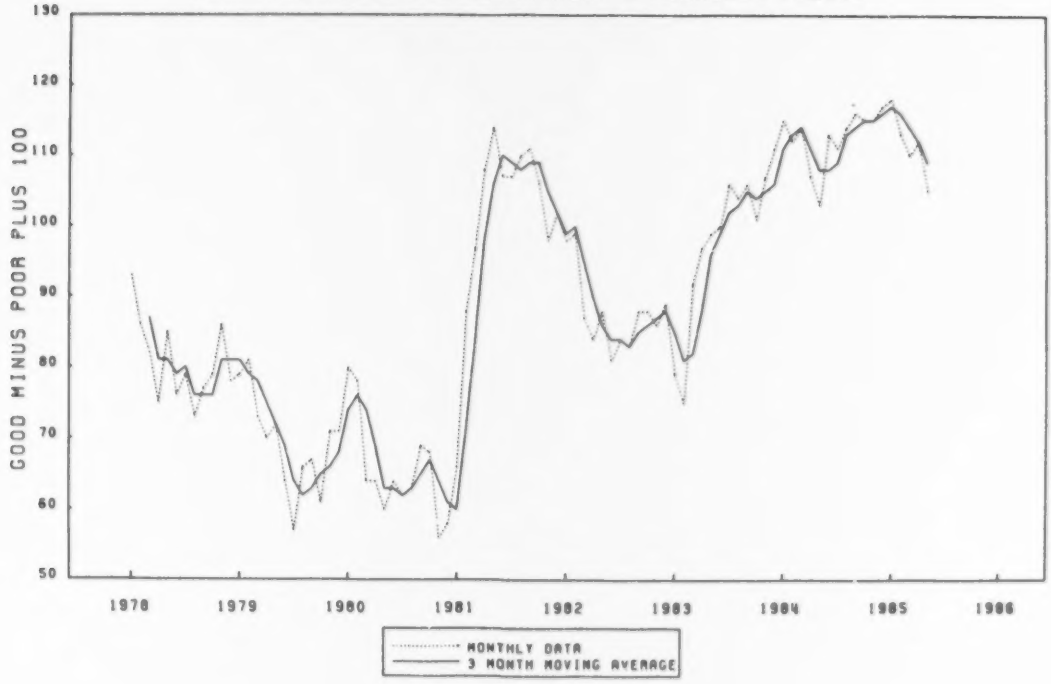


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

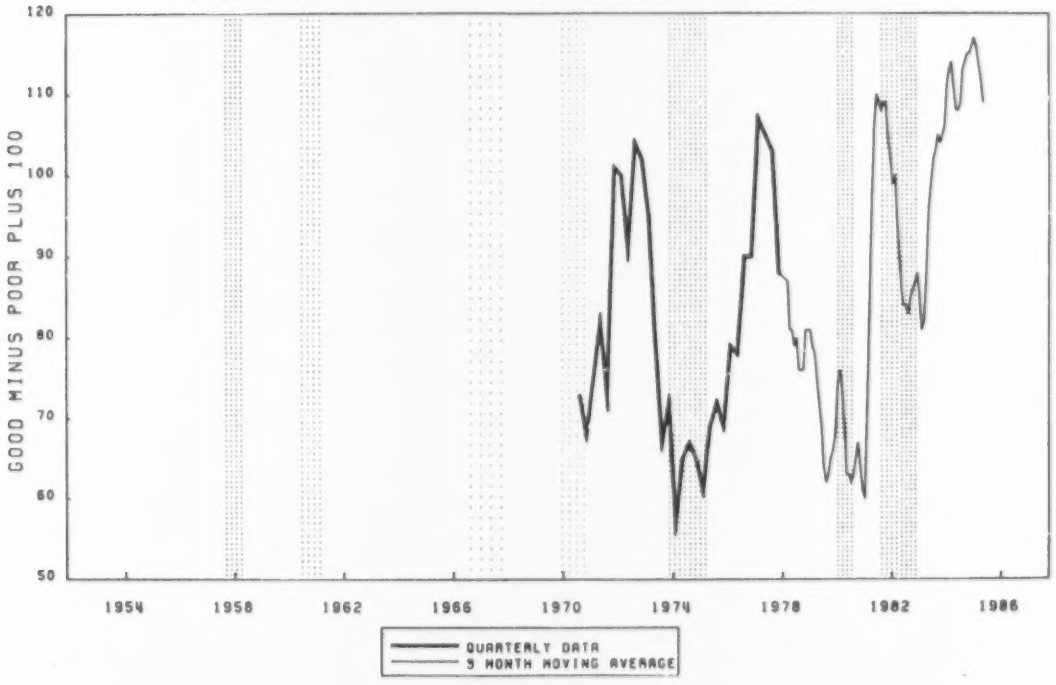


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
A GOOD JOB	25%	31%	30%	33%	35%	36%	32%	33%	34%	33%	32%	30%	26%
ONLY FAIR	52	49	48	46	44	41	50	49	49	46	43	50	51
A POOR JOB	22	18	19	19	19	21	17	16	16	20	22	18	21
DK,NA	1	2	3	2	2	2	1	2	1	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

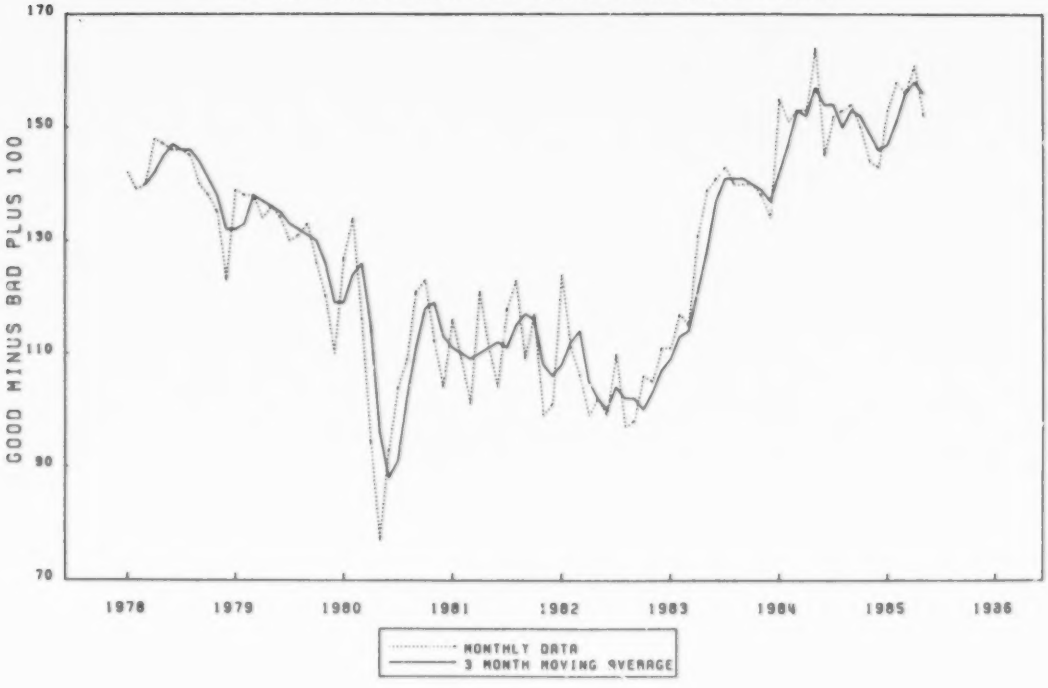


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

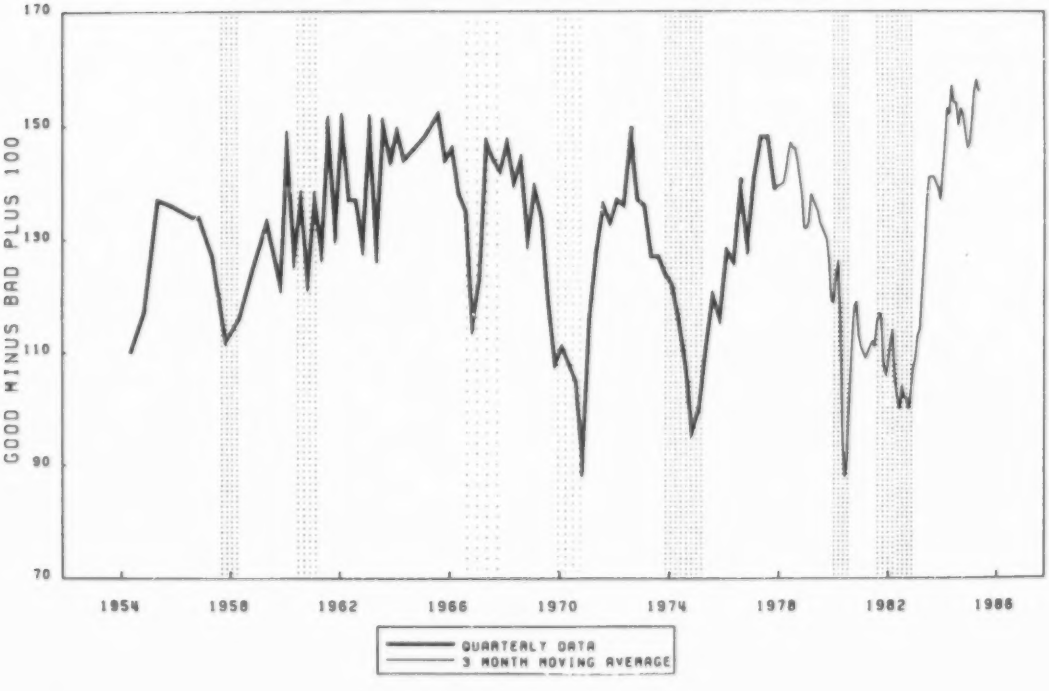


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIME TO BUY	77%	67%	71%	72%	72%	70%	67%	67%	73%	75%	74%	77%	72%
UNCERTAIN, DEPENDS	10	11	10	9	10	10	10	9	7	8	8	7	8
BAD TIME TO BUY	13	22	19	19	18	20	23	24	20	17	18	16	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

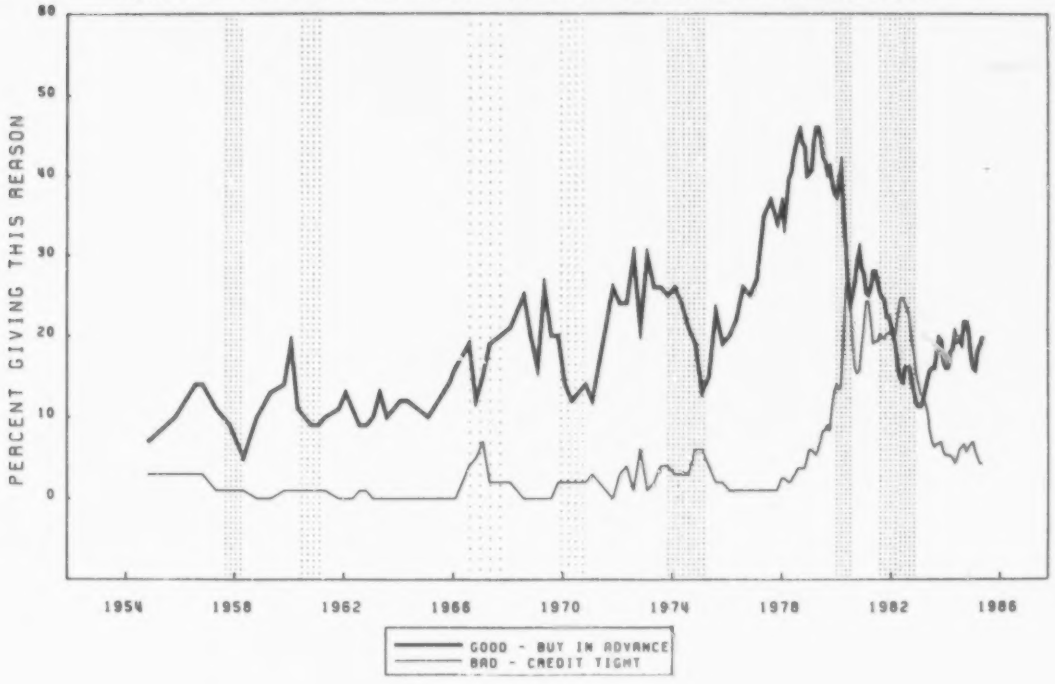


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

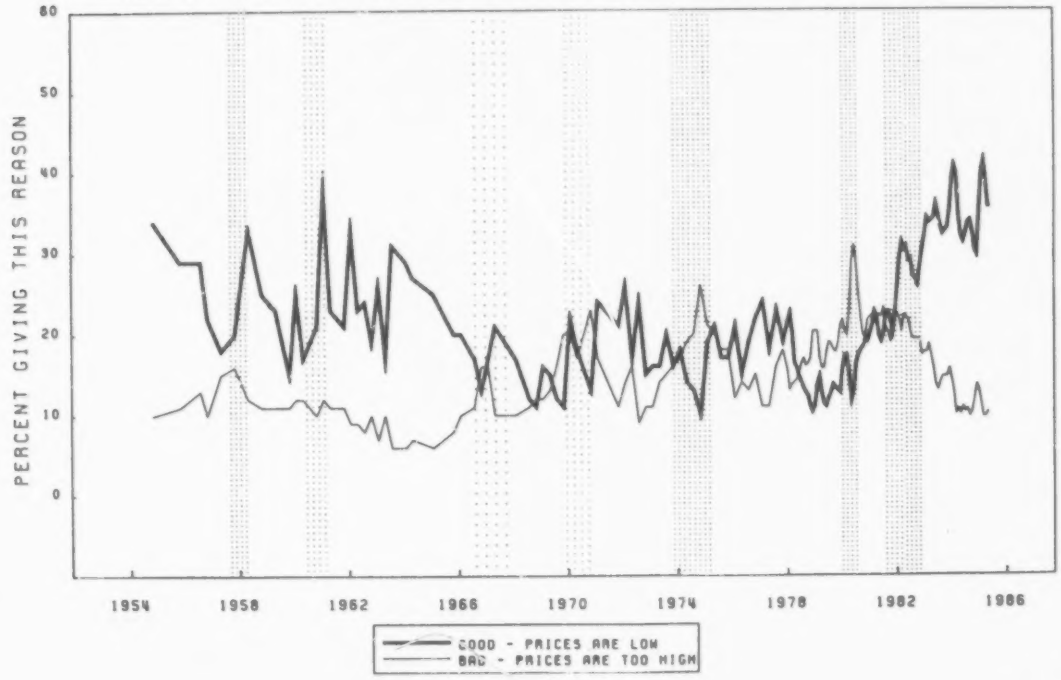


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	33%	33%	35%	34%	29%	28%	32%	45%	43%	36%	37%	34%
Prices won't come down; are going higher	22	16	21	20	24	21	17	15	16	16	22	18	19
Interest rates low; credit is easy	11	11	10	8	8	11	11	10	11	11	10	13	11
BAD TIME TO BUY:													
Prices are high	8	13	10	9	10	12	14	15	10	9	10	10	11
Interest rates are high; credit is tight	5	5	8	6	6	5	8	7	6	4	5	4	4
Lack of purchasing power	5	7	5	7	7	7	7	7	10	6	7	6	9

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

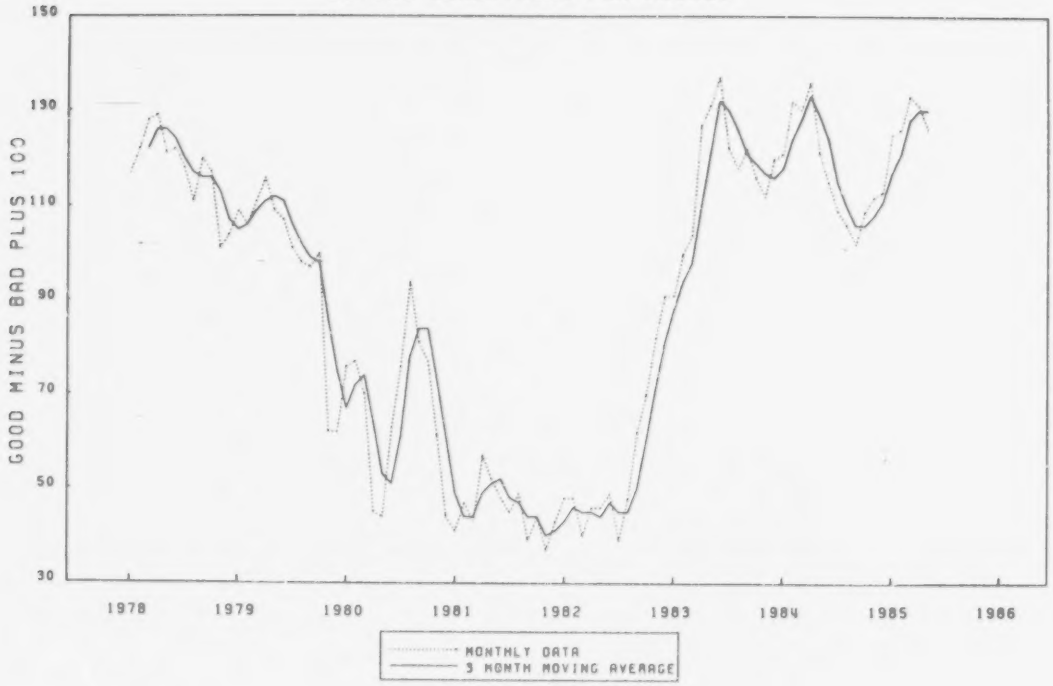


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

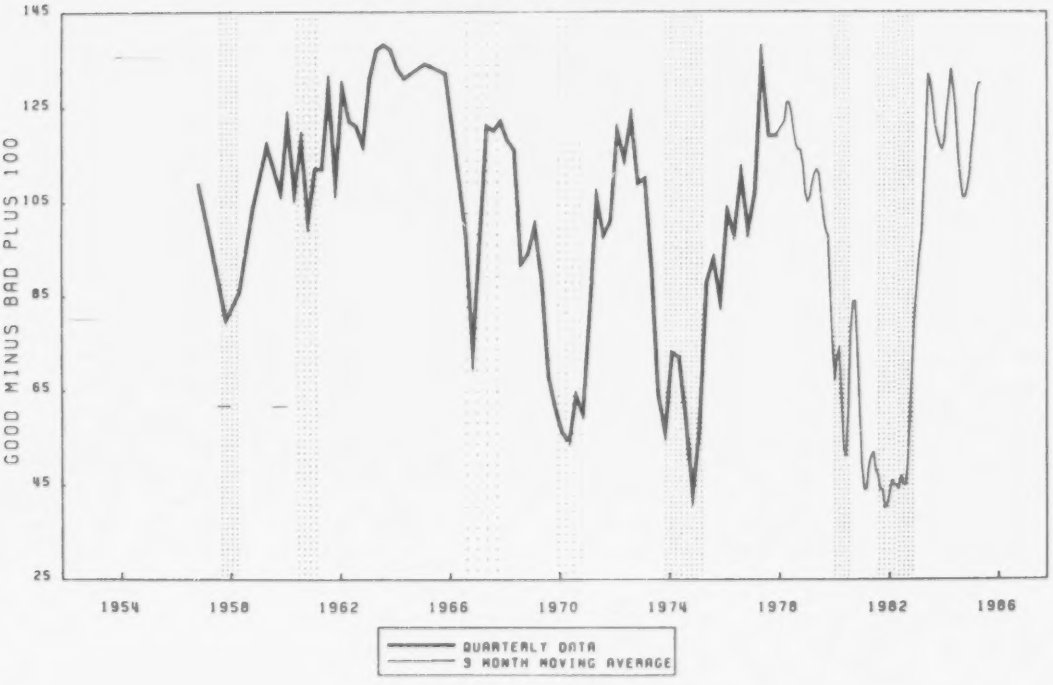


TABLE 28

BUYING CONDITIONS FOR HOUSES

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIME TO BUY	58%	55%	52%	50%	48%	52%	54%	54%	61%	61%	64%	64%	61%
UNCERTAIN, DEPENDS	5	5	5	6	6	5	4	5	3	4	5	3	4
BAD TIME TO BUY	37	40	43	44	46	43	42	41	36	35	31	33	35
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

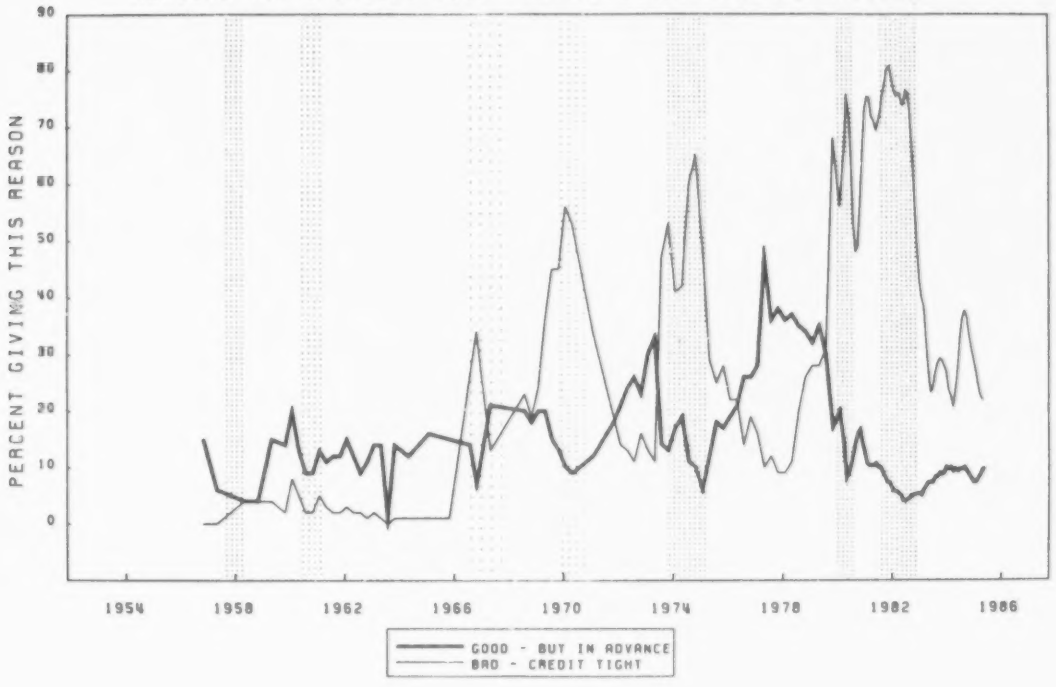


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

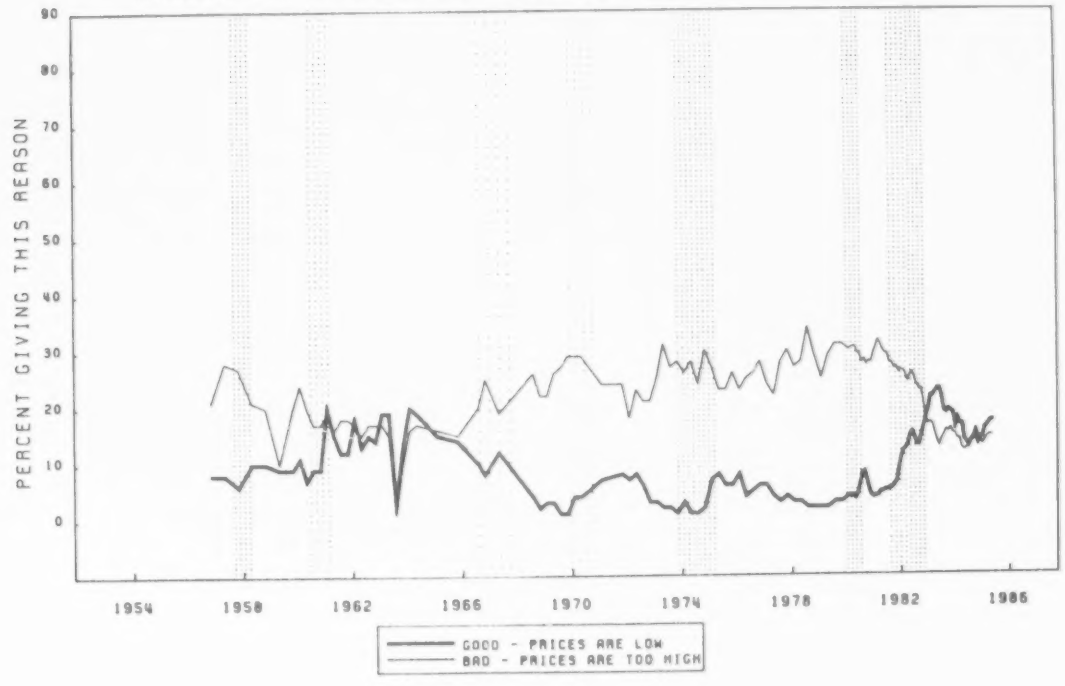


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	12%	13%	13%	15%	14%	15%	11%	17%	15%	16%	18%	17%	17%
Prices won't come down; are going higher	9	9	11	9	10	9	7	8	7	7	10	9	10
Interest rates low; credit is easy	44	38	37	35	34	35	44	38	49	50	48	47	43
Good investment	5	8	5	4	7	5	7	5	6	6	7	6	6
BAD TIME TO BUY:													
Prices are high	12	14	12	16	16	16	12	13	14	14	15	15	14
Interest rates are high; credit is tight	29	33	36	40	37	33	31	30	27	25	22	21	23
Lack of purchasing power	12	10	11	11	11	10	13	13	12	11	9	12	16

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

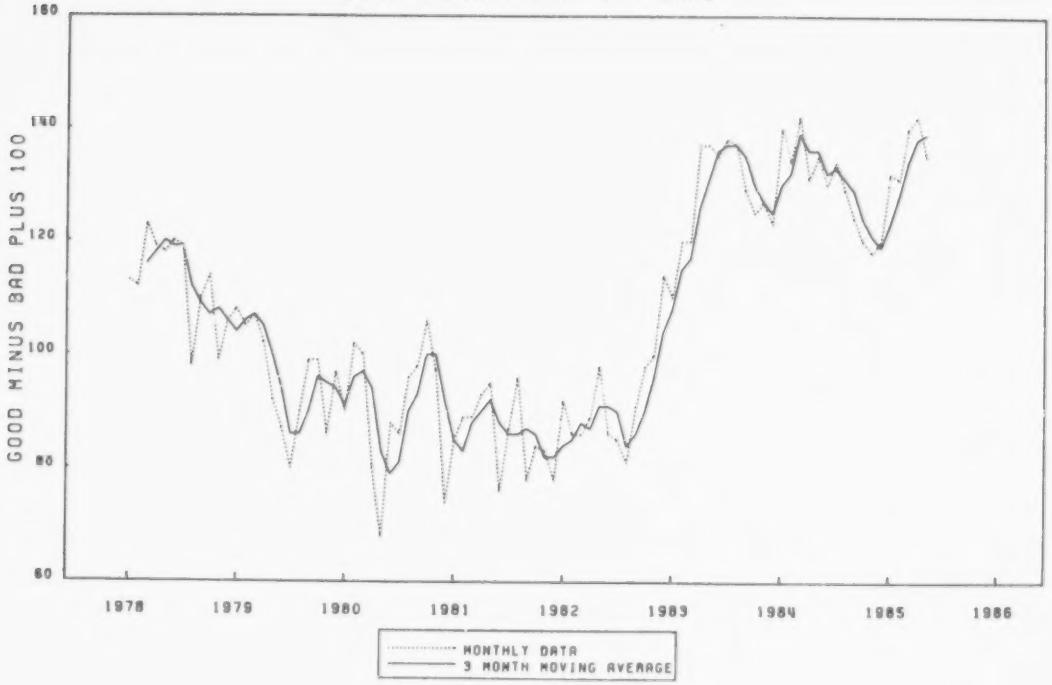


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

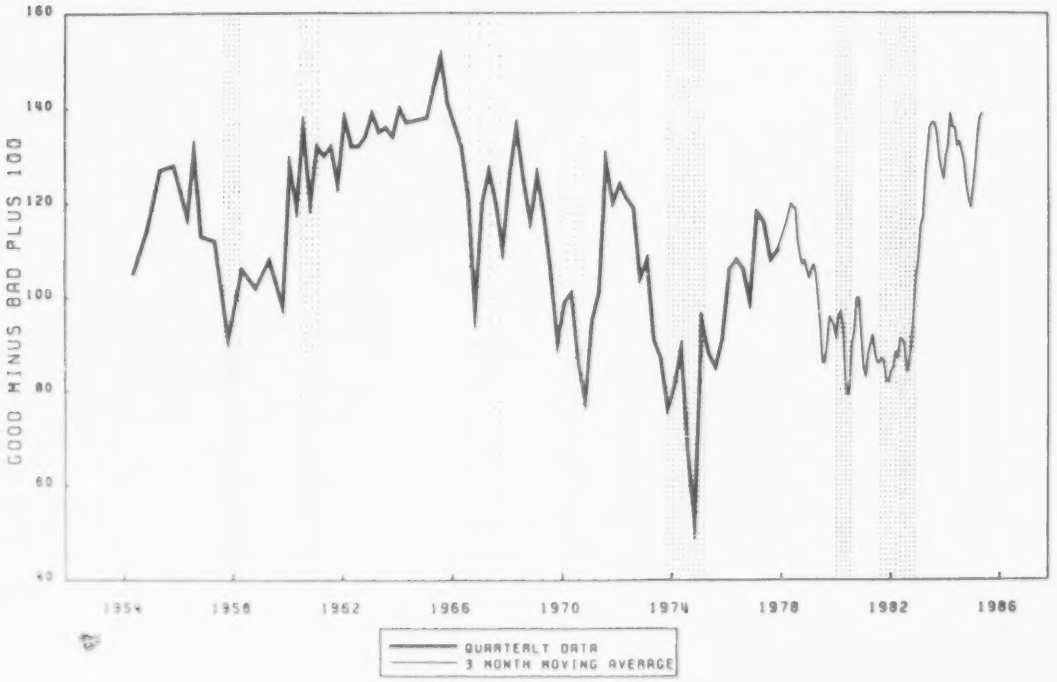


TABLE 30

BUYING CONDITIONS FOR CARS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIME TO BUY	63%	60%	62%	59%	59%	54%	55%	55%	62%	61%	67%	68%	65%
UNCERTAIN; DEPENDS	9	10	10	11	6	12	8	10	8	9	6	6	5
BAD TIME TO BUY	28	30	28	30	35	34	37	35	30	30	27	26	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

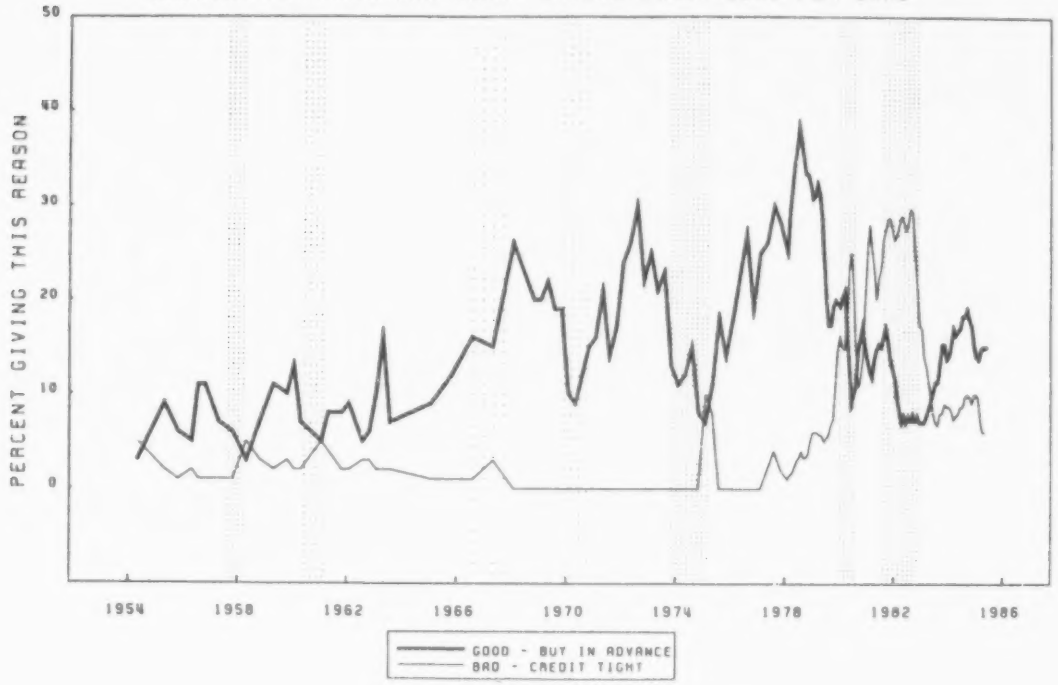


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

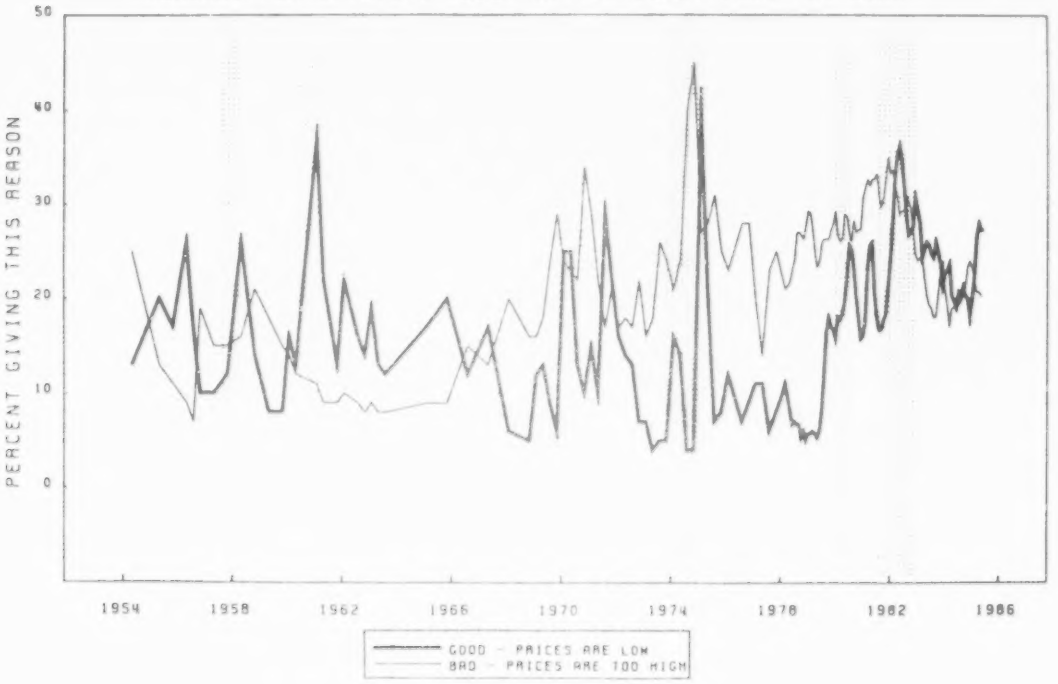


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	21%	21%	19%	24%	18%	18%	18%	24%	26%	30%	28%	24%
Prices won't come down; are going higher	17	18	20	17	20	17	15	14	13	14	17	14	14
Interest rates low; credit is easy	18	18	24	17	15	14	18	15	23	24	23	25	28
New fuel efficient models	3	1	1	2	1	2	*	2	*	1	1	1	1
BAD TIME TO BUY:													
Prices are high	18	20	20	19	22	23	25	24	21	21	20	21	20
Interest rates are high; credit is tight	9	8	9	12	9	8	10	12	8	8	5	5	8
Lack of purchasing power	5	4	4	5	6	6	8	7	7	6	6	4	6
Price of gas; shortages	*	*	*	1	*	*	*	*	*	*	*	*	*
Poor selection; quality	2	2	4	4	3	3	5	4	4	4	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

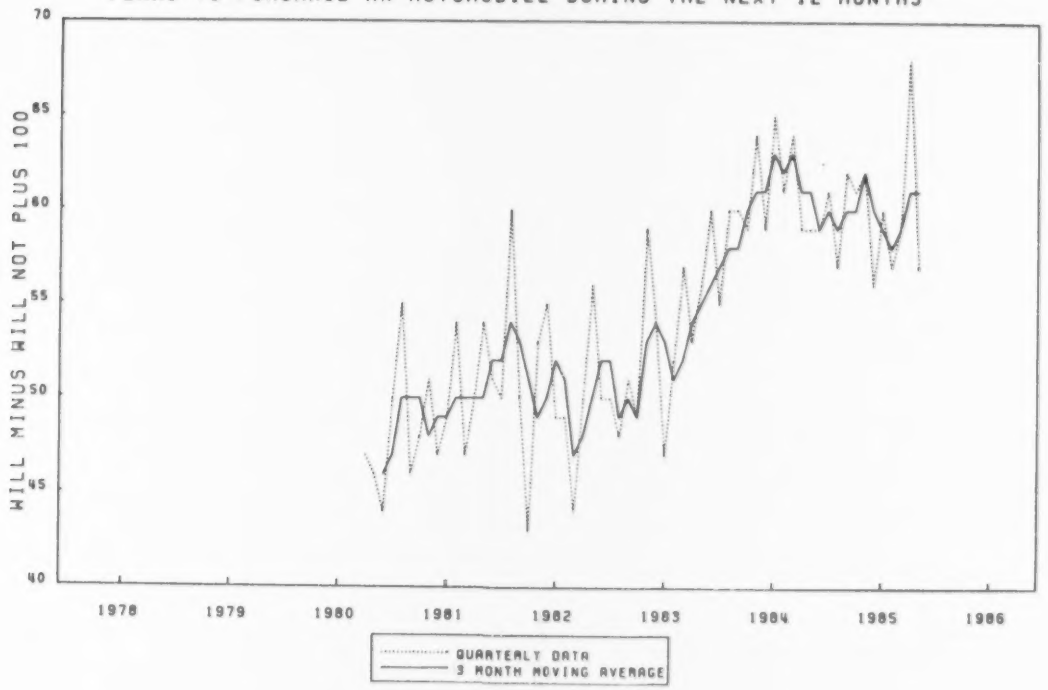


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

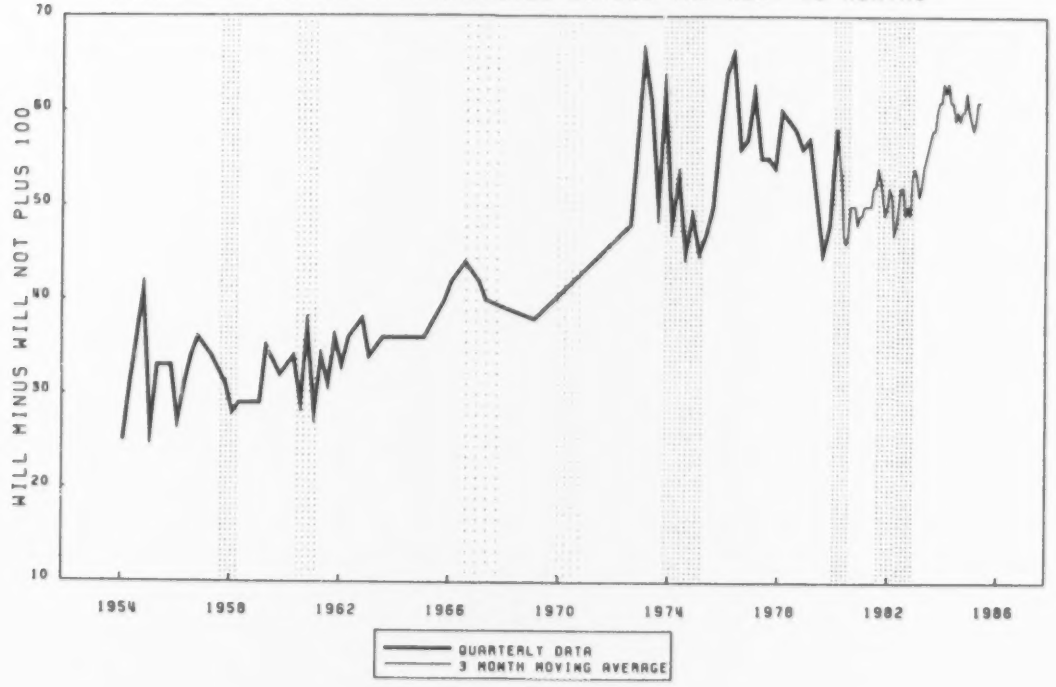


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
PROBABLY WILL BUY	19%	20%	20%	21%	22%	21%	21%	19%	20%	19%	20%	24%	18%
CHANCES ARE EVEN	12	9	9	7	8	8	9	9	9	9	8	7	9
PROBABLY WILL NOT BUY	60	61	59	64	60	60	59	63	60	62	61	56	61
DK,NA	9	10	12	8	10	11	11	9	11	10	11	13	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	690	680	656	693	690	706	710	704	640	655	653	675	661

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	31%	29%	29%	28%	30%	29%	30%	28%	29%	28%	28%	31%	27%
PURCHASE TYPE:													
Buy new	15	16	15	15	14	15	15	13	17	15	14	17	14
Buy used	14	11	13	11	13	12	13	13	11	11	13	12	12
Lease	2	1	2	1	2	2	1	1	1	1	1	1	1
DK,NA	*	1	*	1	1	*	1	1	*	1	*	1	*
PURCHASE TIMING:													
Next 3 months	3	2	7	3	1	6	5	3	5	4	2	8	5
Next 4-6 months	9	8	6	5	8	6	7	6	8	9	8	9	7
Next 7-9 months	7	9	3	4	5	7	7	10	7	8	11	6	7
10 months or more	6	4	7	8	10	4	8	7	5	4	5	3	5
DK,NA	6	6	6	8	6	6	3	2	4	3	2	5	3

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	60%	61%	59%	64%	60%	60%	59%	63%	60%	62%	61%	56%	61%
PURCHASE TYPE:													
Would buy new	33	36	35	33	34	31	33	34	35	32	35	34	36
Would buy used	26	24	22	29	25	27	25	28	25	28	25	21	25
DK,NA	1	1	2	2	1	2	1	1	*	2	1	1	*
PURCHASE TIMING:													
Less than 2 years	5	7	5	8	5	7	7	7	8	9	6	5	7
2 years	22	21	18	25	21	21	20	23	18	19	21	21	21
3 years	9	8	10	8	11	10	9	10	9	10	10	11	13
4 years or more	18	17	18	15	17	16	17	15	19	17	19	14	16
Indefinite	2	2	3	3	2	1	2	3	2	2	2	1	1
DK,NA	4	6	5	5	4	5	4	5	4	5	3	4	3

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

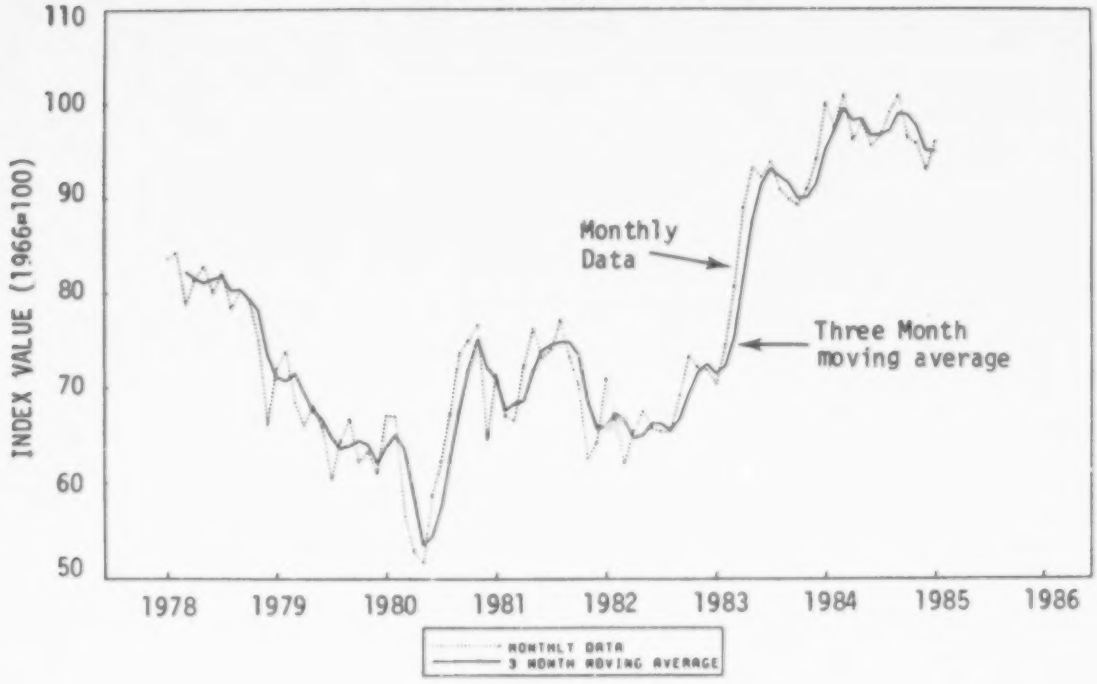
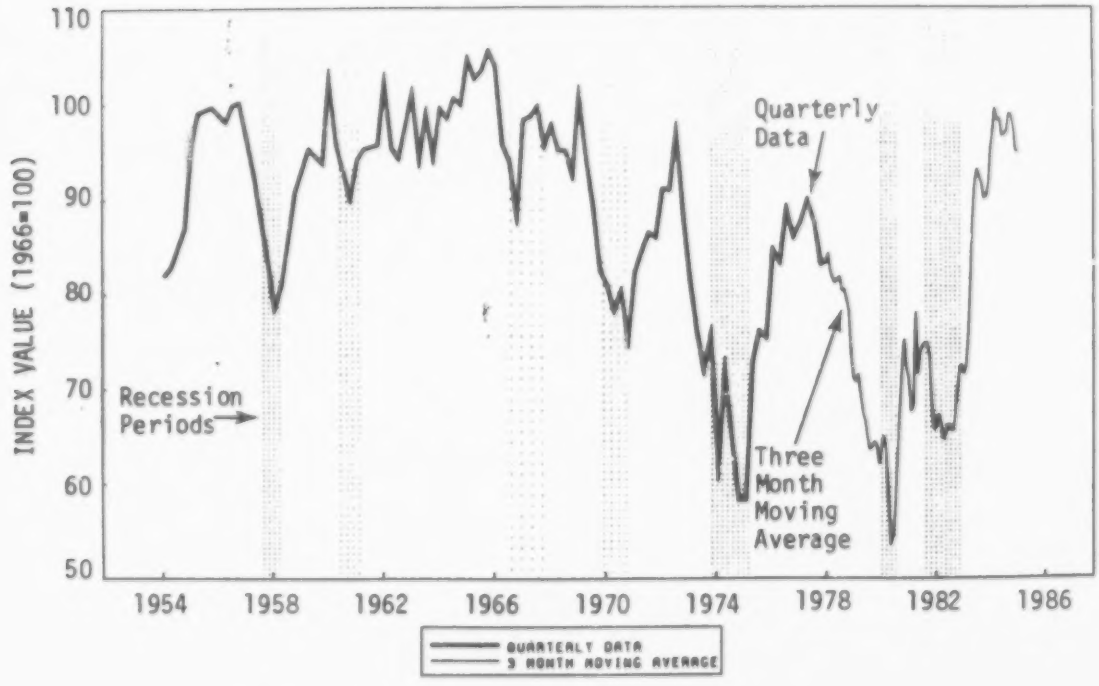


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:				
November	1948	-	October	1949
July	1953	-	May	1954
August	1957	-	April	1958
April	1960	-	February	1961
June	1966	-	November	1967*
December	1969	-	November	1970
November	1973	-	March	1975
January	1980	-	July	1980
July	1981	-	November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).